ARIZONA BOARD OF REGENTS
ARIZONA STATE UNIVERSITY
STUDENT MEMORIAL UNION
AND
ASU FULTON CENTER

February 8-9, 2018
Schedule of Events and Meetings

Amended: 2/6/2018; 5:00 p.m.

Meetings are located in the Student Memorial Union and Fulton Center unless otherwise noted with an asterisk (*) and italics.

Thursday, February 8, 2018
ARIZONA STATE UNIVERSITY
STUDENT MEMORIAL UNION

8:30 a.m. – 9:00 a.m. Executive Session – Gold Room
(President Klein Review of Assignments)

9:15 a.m. – 12:30 p.m. ABOR Meeting – Turquoise Room

12:30 p.m. – 1:30 p.m. Staff Lunch Available – Cochise Room

12:45 p.m. – 4:00 p.m. Executive Session – Gold Room
(12:45-1:45 p.m. – EEC Review of Assignments)
(2:00-2:30 p.m. – President Cheng Review of Assignments)
(2:45-3:15 p.m. – Executive Session)
(3:30-4:00 p.m. – President Robbins Review of Assignments)

5:00 p.m. – 6:30 p.m. *Regents Professors Induction Ceremony – ASU Student Pavilion, Senita A
(Reception immediately following the ceremony)

Friday, February 9, 2018
ARIZONA STATE UNIVERSITY
FULTON CENTER

7:45 a.m. – 9:15 a.m. *Faculty Breakfast – University Club, 425 E. University Drive, Tempe
(Invitation Only)

9:30 a.m. – 2:00 p.m. ABOR Meeting – Fulton Center, Lincoln Conference Room, 6TH Floor

2:15 p.m. – 3:45 p.m. Executive Session – Fulton Center, Executive Conference Room, 6th Floor
(President Crow Review of Assignments)
ARIZONA BOARD OF REGENTS
ARIZONA STATE UNIVERSITY
STUDENT MEMORIAL UNION
Thursday, February 8
and
ASU FULTON CENTER
Friday, February 9, 2018

Meeting Objectives:

- Provide guidance on upcoming tuition and fee setting and take possible action to implement revisions to guidelines and board policy on student fees, as recommended in a recent audit of fees by Arizona Office of Auditor General.

- Review performance of Arizona State University and its academic, business and strategic imperatives through an annual operational and financial review, and take action to possibly approve updates to university’s business plan.

- Discuss proposed legislation affecting the university system and possibly approve board positions on the legislation.

- Review recommended changes to board policies to clarify rules regarding weapons on campus.

- Consider and take possible action on revisions to consolidate board rules regarding multiple-year contracts with intercollegiate athletics directors and head coaches for football, basketball and baseball

- Advance quality assurance.

Thursday, February 8, 2018

8:30 a.m. CALL TO ORDER

8:35 a.m. EXECUTIVE SESSION

9:15 a.m. RESUME PUBLIC SESSION, GREETINGS AND ANNOUNCEMENTS FROM THE BOARD CHAIR
9:30 a.m. ARIZONA STATE UNIVERSITY PRESIDENT’S WELCOME

9:45 a.m. 1. ABOR PRESIDENT’S REPORT

ABOR President Eileen Klein will provide her report to the board.

10:05 a.m. 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 on matters of board governance to the entire board in a public setting.

10:35 a.m. ADOPTION OF CONSENT AGENDA ACTION ITEMS AND ACCEPTANCE OF CONSENT INFORMATION ITEMS

All items on the Consent Agenda are listed at the end of this agenda, underlined and marked with an asterisk (*). These items will be considered by a single motion with no discussion. All other items will be considered individually.

10:40 a.m. ACADEMIC AND STUDENT AFFAIRS COMMITTEE

2. Request for New Academic Programs For the University of Arizona (UA)

The University of Arizona asks the board to review and approve the new program requests and the disestablishment of two colleges effective in the 2018-2019 catalog year.

10:50 a.m. 10-MINUTE BREAK

11:00 a.m. BUSINESS AND FINANCE COMMITTEE

3. Policy Reform on Student Fee Development, including Proposed Revisions to ABOR “Guidelines for Class Fees” and Policy 4-101 “Authority to Set Tuition and Fees” (First Reading)

The board is asked to approve proposed revisions to class fee guidelines, and review on first reading proposed revisions to board policy related to student tuition and fees.
11:25 a.m.  LEGISLATIVE UPDATE

4.  Discussion and Consideration of Legislation Affecting the University Enterprise

The board office asks the board to discuss and consider legislation affecting the university system and possibly approve positions regarding the legislation.

11:50 a.m.  REGENTS EXECUTIVE COMMITTEE

5.  Proposed Revisions to ABOR Policies 6-910 “Appointments Requiring Board Approval” and 6-1001 “General Provisions” and Proposed Repeal of 6-1002 “Authority,” 6-1003 “Contract” and the Board Guidelines for Communication with the Board regarding Multiple-Year Coaching Contracts (First Reading)

The board office asks the board to review on first reading proposed revisions to ABOR Policies 6-910 “Appointments Requiring Board Approval” and 6-1001 “General Provisions” and Proposed Repeal of 6-1002 “Authority,” 6-1003 “Contract” and the ABOR Guidelines for Communication with the Board regarding Multiple-Year Coaching Contracts.

6.  Proposed Revisions to ABOR Policies 5-302 “Code of Conduct-Definitions,” 5-303 “Code of Conduct-Prohibited Conduct” and 5-308 “Student Code of Conduct” (First Reading and Immediate Implementation)

The board office asks the board to review for first reading and immediate implementation proposed revisions to ABOR policies 5-302 “Code of Conduct-Definitions,” 5-303 “Code of Conduct-Prohibited Conduct” and 5-308 “Student Code of Conduct.” The revisions will update definitions and prohibitions related to the use and possession of weapons and dangerous instruments on campus, and clarify that common personal safety devices such as certain chemical repellants and alarms are not prohibited.

7.  Multiple-year Employment Contract for Vice President for Intercollegiate Athletics at Northern Arizona University (NAU)

Northern Arizona University asks the board to approve a five-year employment contract for Michael Marlow as Vice President for Intercollegiate Athletics (Athletic Director) at Northern Arizona University.
8. **Multiple-year Employment Contract for Head Football Coach at the University of Arizona (UA)**

The University of Arizona asks the board to approve a multiple-year employment contract for Kevin Sumlin as Head Football Coach at the University of Arizona.

9. **Multiple-year Employment Contract of Head Men’s Basketball Coach (ASU)**

Arizona State University asks the board to approve a one-year extension of the Multiple-year Employment Contract for Robert Hurley as Head Men’s Basketball Coach at ASU and certain other changes.

10. **Multiple-year Employment Contract for Head Women’s Basketball Coach (ASU)**

Arizona State University asks the board to approve an extension of the Multiple-year Employment Contract for Charli Turner Thorne as Head Women’s Basketball Coach at ASU and certain other changes.

12:05 p.m. **STUDENT REGENT REPORT**

12:15 p.m. **REPORT FROM THE ARIZONA FACULTIES COUNCIL**

12:25 p.m. **INQUIRIES, REQUESTS, REPORTS, AND COMMENTS FROM REGENTS AND MEMBERS OF THE ENTERPRISE EXECUTIVE COMMITTEE**

12:30 p.m. **RECESS**

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**Friday, February 9, 2018**

9:30 a.m. **ARIZONA STATE UNIVERSITY’S FY 2017-2018 OPERATIONAL AND FINANCIAL REVIEW**


Arizona State University and the board office ask the board to accept their Fiscal Year 2017-2018 operational and financial review composed of the background report, update describing the process for developing a new business plan and public presentation and strategic discussion.

11:30 a.m. **30-MINUTE BREAK**

12:00 p.m. 11. **Arizona State University’s 2017-2018 Operational and Financial Review (Cont’d.)**
12. **Novus Innovation Corridor Update (ASU)**

Arizona State University will provide an update to the board on the Novus Innovation Corridor.

**CONSENT AGENDA**

These items were considered by a single motion with no discussion and approved earlier in the meeting.

*Minutes*
(a) September 11, 2017 Executive Session; (b) September 27-29, 2017 Executive Session; September 27-29 Regular Board Meeting; (c) November 2, 2017 Special Board Meeting; (d) November 8, 2017 Special Board Meeting

**BUSINESS AND FINANCE COMMITTEE**

13. **Report on the Business and Finance Committee Meeting**

The board office asks the board to review the report of the January 25, 2018 Business and Finance Committee meeting.

14. **Annual Capital Development Plan (ASU)**

Arizona State University asks the board to approve its $590 million Capital Development Plan (CDP), which includes four new projects and two previously approved projects. No third-party projects are included in this CDP. Of the total, $550 million will be financed with debt, and the university debt ratio including CDP projects and first-year CIP projects will reach a maximum of 5.1% in FY 2021. ASU requests financing approval for the projects as outlined in the CDP.

15. **Lease Agreement for Office and Classroom Space at the Arizona Center (ASU)**

Arizona State University asks the board to approve its entering into a five-year lease with AGP Arizona Center Owner, LLC for 60,204 square feet of office and classroom space located at One Arizona Center, 400 E. Van Buren Street, Phoenix.
Northern Arizona University asks the board to approve its Revised 2018 Capital Development Plan and Project Approval for the renovation of the 3rd and 4th floor of the Science Annex Building. The science Annex project is the only project on the CDP with a total budget of $17.4 million. The project will be funded using state appropriations, gift funds and other university resources.

17. *College of Pharmacy Skaggs Building Addition and Renovation Project Approval (UA)*  
The University of Arizona asks the board to approve its College of Pharmacy Skaggs Building Addition and Renovation Project. The $26 million project consists of 21,000 gross square feet of new space and 12,000 gross square feet of renovated space, and will be funded with gifts, University of Arizona Health Sciences funds, and ALSAM Foundation funds.

18. *Proposed Revisions to ABOR Policy 3-306 “Allocation of Land Fund Income” (Second Reading)*  
The board office asks the board to approve the proposed revisions to board policy relating to the distribution of the state land funds for the Eminent Scholars Matching Grant Program.

The board office asks the board to approve the proposed revisions to board policies relating to capital process changes that expand the Capital Development Plan phase and eliminate the Project Approval phase.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

20. *Report on the Academic and Student Affairs Committee Meeting*  
The board office asks the board to review the report of the January 25, 2018 Academic and Student Affairs Committee Meeting.
21. *Proposed Revisions to ABOR Policy 2-223 “Academic Strategic Plans” (Second Reading)*

The board office asks the board to approve the proposed revisions to ABOR Policy 2-223 “Academic Strategic Plans.”

22. *New Academic Programs for Arizona State University (ASU)*

Arizona State University asks the board to approve the new program requests effective in the 2018-2019 catalog year.

**RESEARCH, INNOVATION AND IMPACT COMMITTEE**

23. *Report on the Research, Innovation and Impact Committee Meeting*

The board office asks the board to review the report of the January 25, 2018 Research, Innovation and Impact Committee meeting.

**REGENTS EXECUTIVE COMMITTEE**

24. *Ratification of Authorization to Allow the Board’s Excess Insurance Carriers to Sue in the Board’s Name to Facilitate Their Recovery Against an Independent Contractor That Caused Damage to a Mirror at the Steward Observatory Mirror Lab (UA)*

Pursuant to ABOR Policy 1-109, the University of Arizona asks the board to ratify prior authorization for the board to lend its name as a nominal plaintiff in order to facilitate recovery by its excess insurance carriers against an independent contractor that caused damage to a mirror being fabricated at the Steward Observatory Mirror Lab.

**ADMINISTRATIVE**

25. *Non-Access Resolution for the Department of Defense National Industrial Security Program (UA)*

The University of Arizona asks the board to adopt an updated Non-Access Resolution related to its Department of Defense National Industrial Security Program.

2:00 p.m.  

**RECESS**

The board is expected to adjourn its meeting at approximately 3:45 p.m. at the end of executive session.
PLEASE NOTE: This agenda may be amended at any time prior to 24 hours before the board meeting. Estimated starting times for the agenda items are indicated; however, discussions may commence, or action may be taken, before or after the suggested times. Any item on the agenda may be considered at any time out of order at the discretion of the board chair. The board may discuss, consider, or take action regarding any item on the agenda. During the public meeting, pursuant to A.R.S. §38-431.03 (A)(3), the board may convene in executive session for legal advice regarding any item on the agenda.

Regular Board Meeting Schedule

Meeting Schedule for 2017-2018
April 4-6, 2018	UA	June 13-15, 2018	NAU

Meeting Schedule for 2018-2019
September 26-28, 2018	NAU	November 14-16, 2018	UA
February 6-8, 2019	ASU	April 10-12, 2019	UA
June 12-14, 2019	NAU

Meeting Schedule for 2019-2020
September 18-20, 2019	NAU	November 20-22, 2019	UA
February 12-14, 2020	ASU	April 1-3, 2020	UA
June 10-12, 2020	NAU

Meeting Schedule for 2020-2021
September 9-11, 2020	NAU	November 18-20, 2020	UA
February 10-12, 2021	ASU	April 14-16, 2021	UA
June 9-11, 2021	NAU
EXECUTIVE SESSION AGENDA
February 8-9, 2018

NOTE: This agenda may be amended at any time prior to 24 hours before the Board meeting. The executive session is scheduled for 8:30 a.m. and 12:45 p.m. on Thursday, February 8, 2018 and 2:15 p.m. on Friday, February 9, 2018. The executive session may be recessed and continued as necessary.

Statutory Authorization
A.R.S. §38-431.03

<table>
<thead>
<tr>
<th>Items to be Discussed</th>
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<tbody>
<tr>
<td>I. Review of minutes of previous Executive Session(s)</td>
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<tr>
<td>II. From the Board, Board Office Staff or Counsel to the Board</td>
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<tr>
<td>A. Report on pending or contemplated litigation</td>
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<tr>
<td>B. Review of Assignments – Presidents</td>
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<tr>
<td>C. Legal Advice and Discussion on Pending Legislation Affecting the University Enterprise</td>
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<tr>
<td>III. University of Arizona</td>
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<tr>
<td>A. Legal update and report to the board on the Men’s basketball investigation</td>
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<tr>
<td>IV. Arizona State University</td>
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<tr>
<td>A. Legal advice, discussion and direction to designated representatives regarding the Novus Innovation Corridor</td>
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PLEASE NOTE: This agenda may be amended at any time prior to 24 hours before the meeting. Estimated starting times for the agenda items are indicated; however, discussions may commence before or after the suggested time. Any item on the agenda may be considered at any time out of order at the discretion of the Chair. Pursuant to A.R.S. §38-431.03 (A)(3) the board may convene in Executive Session at any time during the meeting to receive legal advice regarding any item on the agenda.

Instruction re: Confidentiality
Pursuant to A.R.S. §38-431.03(B) & (C) all are reminded that minutes of and discussions that occur in executive sessions are confidential by law and that violations of that confidentiality may subject the individuals involved to such penalties as are prescribed by law, including fines, costs, attorneys’ fees, and removal from office.
Executive Summary

Item Name: ABOR President’s Report

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☒ Information or Discussion Item

Issue: ABOR President Eileen Klein will provide her report to the board.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Other: Board President report to the board

There are no written materials for this item.

Requested Action

This item is provided for discussion only. No action is required by the board.

Contact Information:
Eileen I. Klein, ABOR 602-229-2500 eileen.klein@azregents.edu
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President’s Report

Eileen Klein
President
Arizona Board of Regents

February 8, 2018
This week in AZ history

Feb. 9, 1911
Arizona Constitution Ratified
Significant progress on 2017-18 governance and reform initiatives

✓ Reform board oversight of university property development
✓ Launch quality assurance review
✓ Pursue additional reforms to increase access and affordability, promote greater transparency in tuition and fee setting and encourage greater alignment in AZ higher education system
✓ Revamp structure, charge and authority of committees
✓ Lead in state and national discussions on the future of public higher education
✓ Preserve trust and confidence in public higher education
Highlights of board meeting agenda

- Provide guidance on upcoming tuition and fee setting, revisions to student fees
- Review ASU’s in-depth operational and financial plans with President Crow
- Discuss proposed legislation affecting the university system
- Review recommended changes to board policy clarify rules regarding weapons on campus
- Consolidate board rules regarding multiple-year contracts
Welcome, Brittney Kaufmann

Successful presentations in regent confirmation hearings

Presentations to Senate and House Appropriations Committees focused on legislative assignments, outcomes

- Cost study
- Financial Aid Report overhaul
- Four Audits
  - Foster Care Tuition Waiver (released)
  - Fees (released)
  - Student Success (pending)
  - IT Security (pending)
- New budgeting requirements
- Litigation
Financial Aid Report Discussion

Friday, March 16

Public announcement of tuition proposals

Tuesday, March 27
(statewide locations)

Tuition hearing

Thursday, March 29

Tuition workshop

Thursday, April 5

Board meeting

Tuition setting process kicks off

November 2017 Board Meeting
Launch of national attainment data tool
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EXECUTIVE SUMMARY

Item Name: Request for New Academic Programs for The University of Arizona (UA)

☑️ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: The University of Arizona asks the board to review and approve the new program requests and the disestablishment of two colleges effective in the 2018-2019 catalog year.

Enterprise Strategic Plan
☑️ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☐ Other:

Statutory/Policy Requirements

ABOR Policy 2-223—“Academic Strategic Plans”

Background/History of Previous Board Action

As provided in the board policy, new program requests may be submitted throughout the year with the approval of the Academic and Student Affairs Committee.

Discussion

The current ABOR Policy 2-223 allows universities to propose new academic programs, disestablish academic program in high demand, and disestablish academic units.

Committee Review and Recommendation

The Academic and Student Affairs Committee reviewed this item at its January 25, 2018 meeting and recommended forwarding the item to the full board for approval with the

Contact Information:
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Shelley McGrath, ABOR 602-229-2529 shelley.mcgrath@azregents.edu
exception of the Bachelor of Arts in Applied Humanities, for which the committee requested revisions and further discussion at the February board meeting.

Regents expressed the following concerns:

1. The market need is a restatement of competencies/skills that every UA graduate should have and sounds like competencies/skills one might get in the Gen Ed curriculum.

2. There needs to be additional and higher level learning outcomes unique to this degree.

3. How is this degree different from students enrolling in a traditional humanities degree and minoring in a secondary area?

4. How will students benefit from this degree?

5. This degree is experimental. How is risk to students mitigated by doing such a degree?

The concerns and questions have been addressed in the revised “New Program Request” template and are marked in red text.

Requested Action

The University of Arizona asks the board to review and approve the new program requests and the disestablishment of two colleges effective in the 2018-2019 catalog year.
## University of Arizona
### ACADEMIC PROGRAMS 2018-2019

### Table 1 - Proposed New Programs

<table>
<thead>
<tr>
<th>Name of Proposed Degree (degree type and major), College/School, Location, Anticipated Catalog Year</th>
<th>Program Fee Required?</th>
<th>Brief Description Justification and Identified Market Need</th>
<th>Learning Outcomes and Assessment Plan</th>
<th>Projected 3rd Year Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor of Science in Statistics and Data Science and Bachelor of Arts in Statistics and Data Science, Department of Mathematics in the School of Mathematical Sciences, College of Science</td>
<td>No</td>
<td>Description: By merging modern data science approaches with a solid mathematical background and practical training, the Undergraduate Degree in Statistics and Data Science provides a curriculum that allows students to make significant contributions at the forefront of knowledge across the vast array of activities in government, education, and industry that rely on statistical thinking and involve issues of collection, model derivation and analysis, interpretation, explanation, and presentation of data. The major course work will be identical for the BA and BS with the exception of the second language requirements, and natural and laboratory science courses, and application course requirements. Justification: In a 2011 report, McKinsey Global Institute stated a “significant constraint on realizing value from Big Data will be a shortage of talent, particularly of people with deep expertise in statistics and machine learning,” and predicted a potential shortage in the U.S. of 140,000 to 190,000 workers with deep analytical skills by the year 2018. This</td>
<td>Learning Outcomes Concepts: 1. Be able to define mathematical and statistical terms precisely; 2. Recognize when arguments, especially formal statistical procedures and data visualization, are valid, and identify logical flaws; Competences: 3. Produce effective analyses from data using a variety of computational, mathematical, and statistical approaches; 4. Critically evaluate and extend statistical models drawn from current scientific literature; 5. Apply methods and concepts from coursework to analyze data based scientific problems; 6. Effectively communicate results. Measures Direct measures will include assessment of samples of student work from core courses throughout the academic program. Indirect measures will include student surveys and interviews at the end of the</td>
<td>112 in the BS 38 in the BA</td>
</tr>
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“deep understanding” calls for a statistics undergraduate program supported by a rigorous background in mathematics, notably calculus and linear algebra, and in computation.

Market Analysis: According to the Bureau of Labor Statistics employment for statisticians is projected to grow 27% between 2012 and 2022.

<table>
<thead>
<tr>
<th>Academic Program</th>
<th>Surveys will include student self-assessment of performance during the program.</th>
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<tbody>
<tr>
<td><strong>Assessment Methods/Instruments</strong></td>
<td>1. The program is using curriculum maps to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.</td>
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<tr>
<td></td>
<td>2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.</td>
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<td></td>
<td>3. Embedded course assessments using rubrics will be used at three points during the program. Rubrics will be coded with the following scores: does not met, meets, exceeds expectations. Also, rubrics will be used during the following times in the program:</td>
</tr>
<tr>
<td></td>
<td>· At the end of the core required introduction to statistical science class, faculty will complete a rubric for each student based on student work through that semester.</td>
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<td></td>
<td>· At the end of the final course in the theoretical foundations of statistics and data science, faculty will complete a rubric for each student based on student work through that semester.</td>
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<tr>
<td></td>
<td>· At the end of the capstone, faculty will complete a rubric for each student based on student work in modeling projects. Faculty will evaluate each student’s final presentation against the expected outcome.</td>
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<td>4. Student challenges in particular courses will point to changes that need to be made in the curriculum to improve learning.</td>
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<tr>
<td>Bachelor of Science in Education in Rehabilitation Studies and Services in the Department of Disability and Psychoeducational Studies, College of Education</td>
<td>No</td>
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<tr>
<td><strong>Description:</strong> The Rehabilitation Studies and Services program offers students a comprehensive yet practical foundation of principles, strategies, and experiences to facilitate employability in the broad field of Rehabilitation. The program focuses on disability-environment relations, case management and health/wellness/career guidance. This sub-specialization currently exists under the current BSE in Special Education and Rehabilitation. This request provides greater focus through the development of a separate degree program. Justification: Rehabilitation has evolved from its origin as a federally legislated profession narrowly focused on the employment needs of individuals with disabilities to a vibrant profession encompassing new functions in settings with individuals from a wide variety of circumstances (disability, impairment, homelessness, incarceration, aging). Rehabilitation professionals facilitate the consumer's exercise of the control and power over self and their environment needed to achieve personal, social, career, and independent living goals. Market Need: Employment of rehabilitation professionals is expected to grow by 28% from 2010 to 2020 (U.S. Dept. of Labor, 2014). Possible careers include work in behavioral health programs; drug and alcohol programs;</td>
<td>Learning Outcomes Concepts: 1. Summarize and analyze the core concepts and central ideas of rehabilitation services and disability studies; Competencies: 2. Illustrate, describe, and explain rehabilitation procedures along with changes nationally, and support and professional organizations; 3. Demonstrate effective listening, speaking, and writing skills to assist clients in problem-solving, decision-making, and goal-setting. Measures Direct Measures will include assessment of samples of student work from core courses. Indirect Measures will include pre and post student surveys to provide indirect measures of student preparation for and self-assessment of the curriculum. Employment surveys also will be used for assessment of student preparation for work in the discipline. Assessment Methods/Instruments 1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses. 2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.</td>
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| Bachelor of Science in Education in Deaf Studies in the Department of Disability and Psychoeducational Studies, College of Education | No | Description: The BSED focuses on understanding deaf community culture and communication. Students will become fluent in American Sign Language and take coursework in general deaf studies or educational interpretation. The program has a heavy emphasis on community engagement, service learning, and reciprocity within the deaf community.

This sub-specialization exists under the current BSE in Special Education and Rehabilitation. This request provides greater focus through the development of a separate degree program.

Justification: The number of Deaf children in schools is increasing and 90-95% of Deaf children are in public schools, not in residential schools. Each of those children need an educational interpreter with them in all classes, as well as personnel such as counselors and others who are knowledgeable in the language and culture.

Market Need: The 2014-2015 edition of | 3. Embedded course assessments using rubrics will also be used for course projects and fieldwork during the program.
4. Rubrics will be coded with the following scores: does not met, meets, exceeds expectations.
5. Student challenges in particular courses will point to changes that need to be made in the curriculum to improve learning.
6. Assess program outcomes related to changes that are made. |

| Learning Outcome Concepts: |
| 1. Demonstrate knowledge of and proficiency with the use American Sign language and written English to communicate effectively with diverse audiences. |

| Competencies: |
| 2. Summarize, synthesize, and critically analyze ideas. |
| 3. Describe complex social identities within the Deaf community. |
| 4. Apply knowledge, modes of inquiry and technological competence. |
| 5. Explain reasoning for ethical judgements. |

| Measures |
| Direct Measures will include assessment of samples of student work from core courses throughout the academic program. |
| Indirect Measures will be collected from students prior to entrance to the program using established Commitment Survey, Tech Survey and Universal Design |

Offered on Main Campus
Anticipated first semester of admission is Fall 2018
the United States Department of Labor Bureau of Labor Statistics Occupational Outlook Handbook states that the job outlook for interpreters and translators will increase by 46% between the years 2012 and 2022. This is much faster than the average outlook for all occupations. The Handbook also states that the educational services industry employs about 25% of all interpreters. The National Consortium of Interpreter Education Centers (NCIEC) website reports that 21% of current working interpreters will retire in the next 10 years.

Observation Instruments. Students enrolled in the Education Interpreting sub-specialization must also complete the Practicum Mentor Survey, Practicum Consumer Survey, and Intern Self Survey. After graduation, data is collected via a Graduate Survey and an Employer Survey. Data will be collected identifying program characteristics, quality, and effectiveness.

**Assessment Methods/ Instruments**

1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.
2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.
3. Embedded course assessments using rubrics will also be used for course projects and fieldwork during the program.
4. Rubrics will be coded with the following scores: does not met, meets, exceeds expectations.
5. Student challenges in particular courses will point to changes that need to be made in the curriculum to improve learning. Assess program outcomes related to changes that are made.
6. In addition, formal program evaluation and external evaluation will be conducted each year. This evaluation will guide program modifications. Information will be gathered from a variety of areas including student evaluation of coursework and field experiences, mentor interpreters,
students’ acquisition of competencies, review of the management plan and timeline, interviews with students and sites, and the annual input from the external program evaluator.

7. The Educational Interpreter Performance Assessment (EIPA) will provide one way to measure the relationship between performance measures and program outcomes for students in the educational interpreting sub-specialization. Education Interpreting students will be observed during their practica by program faculty, all of whom received EIPA assessor training. Students will receive feedback based on the EIPA indicators at least twice during each practica. Students are required to take the EIPA at the end of the semester in which they are graduating. The tapes are then sent to Boystown International for evaluation and feedback from the EIPA team.

8. The program has an established advisory board composed of Deaf community members, hiring agencies, students and faculty that provides feedback on the program.

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<tr>
<th>Bachelor of Science in Nutrition and Food Systems in Department of Nutritional Sciences in the College of Agriculture and Life Sciences (CALS)</th>
<th>Yes</th>
<th>Description: The major curriculum is designed to teach students about the food system from production to consumption, including the drivers of the food system, environmental and human health outcomes, and entrepreneurship. This program uses a cross disciplinary approach, with university and community partnerships to create enriching experiential learning opportunities. Justification: CALS provides a pivotal role</th>
<th>Learning Outcomes Concepts: 1. Identify major issues, lines of inquiry, and theoretical approaches that are foundational to food systems; 2. Identify and examine relationships between food security, nutrition, and overall health; Competencies: 3. Develop cultural competence while valuing diversity in community settings;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offered on Main Campus</td>
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<td></td>
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<tr>
<td>Anticipated first semester of admission is Fall 2018</td>
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</table>
to residents in every county of the state by increasing nutrition and health literacy, food access and improvements to agriculture and the environment through cooperative extension programming.

Market Need:
• The National Restaurant Association placed Arizona in the lead among all states for 2015 restaurant sales ($11.5 billion) and restaurant jobs (273,700).
• Of the total number of restaurants and bars in the city, 63% are locally owned, non-chain businesses, significantly higher than the national rate of local ownership of 41%.
• The Community Gardens of Tucson organization lists 24 community gardens and at least 57 schools with active gardens.
• There are at least 14 farms and ranches near Metro Tucson that offer their produce, fruits, meat and dairy to our community’s restaurants, cafeterias and bars.
• Metro Tucson supports between 12-21 farmer’s markets. At least 5 have SNAP benefits acceptance through EBT cards.
• In Metro Tucson, 28 businesses involving area farmers and food artisans commercially market 55 to 60 prepared heritage foods and beverages that include local ingredients.
• Pima County Public Library System has the largest free seed interlibrary loan program in the world.

Potential Jobs: agri-food production management; food processing and distribution management; greenhouse work collaboratively with community partners, and apply communication skills to various populations;
4. Apply scientific evidence, best practices, and professional judgement when evaluating questions related to food systems and culture, health, the environment, and food security; and
5. Explore the relationship between drivers of the food system, the food supply chain as they affect food consumption, food waste, the environment and human health.

Measures
Direct measures will make use of rubrics and assess through:
1. Pre- and post-testing in core courses
2. Course-embedded assessments of specific assignments, including peer evaluation for group work
3. Internship/Engagement supervisors’ assessments
4. Capstone final project, plus assessment of engagement activities that may include independent study and research projects
Indirect measures through:
5. Exit surveys
6. Student evaluations of courses and instructors
7. Alumni Data

Assessment Methods/ Instruments
1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.
2. Taskstream software is used to facilitate
Bachelor of Arts in Food Studies, College of Social and Behavioral Sciences

Offered on Main Campus
Anticipated first semester of admission is Fall 2018

<table>
<thead>
<tr>
<th>Description:</th>
<th>Learning Outcomes</th>
</tr>
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</table>
| The BA provides an understanding of the role of culture, governance, sustainable practices, history, and environment in people’s relationships with and consumption of food. Students will explore pressing problems such as food insecurity, food deserts, food and environmental sustainability, food sovereignty, and cultural and entrepreneurial activity around food creativity. Students will conduct applied research rooted in sound ethnographic practices, evaluate diverse factors affecting food growth and consumption, and analyze legal cases, feature stories, and policy reports. | **Concepts:**
1. Identify major issues, lines of inquiry, and theoretical approaches foundational to food studies;
2. Identify the historical, ecological, and environmental factors that have given rise to food as part of spiritual, social, and health systems;
3. Examine issues of food on a practical/applied level through engagement with food-related organizations; |
| **Competencies:**
4. Analyze political, social, and cultural forces that influence food systems;
5. Locate, evaluate, and synthesize primary and secondary food data/information, and identify and contextualize the relevant issues; | 6. Evaluate conflicting arguments from multiple perspectives to draw reasoned |
such entities as the Community Food Bank of Southern Arizona; *Edible Baja Arizona*; International Traditional Knowledge Institute; Native Seeds/SEARCH; the Mayor’s Commissions on Poverty and on Food Security, Heritage, and Economy; the Pima County Food Alliance; Tucson City of Gastronomy; and TUSD among others.

**Market Need:**
- As of 2015, Pima County had a food insecurity rate of 15.5%, with 153,000 food-insecure people. At a $2.85 cost per meal to assist them, Pima County organizations would need an additional $77,182,000/year to meet their needs.
- Metro Tucson has 32 locations offering food relief and at least 20 non-profits and grassroots alliances that address food justice, hunger and insecurity. One in eight residents of Metro Tucson currently live in neighborhoods with limited access to fresh, nutritious, affordable foods.
- The National Restaurant Association placed Arizona in the lead among all states for 2015 restaurant sales ($11.5 billion) and restaurant jobs (273,700).
- Of the total number of restaurants and bars in the city, 63% are locally owned, non-chain businesses, significantly higher than the national rate of local ownership of 41%.

**Potential jobs:** food journalist; food marketing & communications; food policy specialist; food consultancy; and food community education.

and complex conclusions and to communicate clear solutions to important questions related to food and culture, health, identity, globalization, and security;
7. Design and conduct qualitative and quantitative research;
8. Engage in transdisciplinary dialogues about food science, policy, and culture with a range of publics; and
9. Communicate clearly and effectively in both oral and written discourse.

**Measures**

**Direct measures** will make use of rubrics and assess through:
- Pre- and post-testing in core courses
- Course-embedded assessments of specific assignments, including peer evaluation for group work
- Internship/Engagement supervisors' assessments
- Capstone final project, plus assessment of engagement activities that may include independent study and research projects

**Indirect measures** through:
- Exit surveys
- Student evaluations of courses and instructors
- Alumni Data

**Assessment Methods/Instruments**
1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.
2. Taskstream software is used to facilitate the mapping. Specific assignments
### Bachelor of Arts in Applied Humanities

#### Description:
The BA in Applied Humanities provides students interested in fields such as business, fashion, and public health with a transdisciplinary education combining professional skills in these areas with the cognitive, international, creative, interpersonal, and intercultural skills provided by humanistic perspectives that offer a vital edge in these rapidly changing professions. Students will also study and practice the variety of organizational and leadership skills that are most often used in humanities-oriented administrative contexts.

With a traditional major/minor combination (or even major/major combination), the degrees are separate. There is no structured conversation between them, as it were—the student simply chooses two disciplines to pursue, and takes classes in each to fulfill the degrees. With the BA in

<table>
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<tr>
<th>Learning Outcomes</th>
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<tbody>
<tr>
<td><strong>Concepts:</strong></td>
</tr>
<tr>
<td>1. Identify global and transdisciplinary problems that may arise in professional work and negotiations.</td>
</tr>
<tr>
<td>2. Identify cultural contexts in professional, industrial, and historical situations.</td>
</tr>
<tr>
<td><strong>Competencies:</strong></td>
</tr>
<tr>
<td>3. Critically analyze organizations and initiatives, attending to discursive, historical, industrial, and cultural contexts.</td>
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<tr>
<td>4. Recognize and respond effectively to personal, organizational, and cultural biases, including biases based on race, class, sexual orientation, gender identity, etc.</td>
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<tr>
<td>5. Demonstrate the following employer-valued attributes, regardless of industry:</td>
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<tr>
<td>• intercultural competence;</td>
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<tr>
<td>• ability to work collaboratively in a team;</td>
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<tr>
<td>• analytical skills;</td>
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<tr>
<td>• communication skills (written and oral);</td>
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<tr>
<td>• entrepreneurial skills;</td>
</tr>
</tbody>
</table>

#### Anticipated first semester of admission is Fall 21
Applied Humanities, the disciplines are put into direct and structured interaction with one another, not unlike a degree such as Biochemistry, in which the fields of chemistry, biology, math, and the physical sciences are synthesized to create new research and professional opportunities. With a BA in Applied Humanities, students not only gain expertise in the humanities and another field, but are taught how to blend these areas together to see them and the world in new ways.

Students will benefit from this degree in two ways. First, as we note above, the degree offers a disciplinarily integrated experience for students, not just a coadjuvant one. As with any integrated experience, students will benefit from the structured dialogue and synergy among the focal areas. Second, the degree is essentially two degrees in one; that is, it is akin to a double major in the footprint of a single major. As such, it will not only facilitate timely degree completion for single major students, but enable students interested in multiple majors to pursue that interest more expediently and cost effectively. There are many students at the University of Arizona—and in the College of Humanities especially—who are keen to explore multiple lines of inquiry and skill acquisition for professional and personal reasons. The integrated nature of the BA in Applied Humanities will help mitigate the disincentives of time and cost of such work, and in the process uphold the UA, ABOR, and State of Arizona’s

- flexibility/adaptability;
- leadership and organizational ability;
- creative problem solving;
- strategic planning skills; and
- professionalism.

Many of the learning outcomes outlined in the full proposal did not make it into the abbreviated ASAC proposal, including:

- Demonstrate an understanding of how the applied humanities work in different public and private spheres, and how the fundamental practices of applied humanities thinking can be translated into research-informed and public-facing projects for the measurable betterment of society;
- Demonstrate an ability to collaborate effectively with different groups and individuals on multidisciplinary projects and in intercultural contexts, achieving optimal ends in a constructive, expedient, and humane fashion;
- Recognize the complex relationship between human behavior, social organization, and the need to practice meaningful work to improve the human condition both now and in the future;
- Gain familiarity with the fundamental practices of humanities-oriented problem solving, as well as strategies for harnessing those practices to engage real world challenges and opportunities;
- Demonstrate an ability to reflect critically on the meaning of identity and culture in a global and practical context.
commitment to affordable higher education for Arizona's people.

This program has been termed "experimental". Arguably, all degrees are experimental, as they do not guarantee results according to the vital metric of employability. (If they did, there would be no unemployed or even underemployed college graduates.) Nevertheless, the point is well taken—new degrees do not have an established pedigree at which to point, and are thus under additional obligation to demonstrate their relevance. In this instance, student risk is mitigated by (a) the parties involved, (b) the fact that the degree requires an internship, and (c) the fact that graduating students will possess a demonstrated skill set that, as noted above, is very much in demand.

On point (a), the Colleges of Humanities, Management, Public Health, Agriculture/Life Sciences, and Architecture/Planning/Landscape Architecture all have excellent national and international reputations, as well as long histories of producing qualified and highly employable graduates. That these colleges are not just cooperating but collaborating on a degree means that they are bringing these reputations—and the experience upon which these reputations are based—to bear in a direct and meaningful way. It is hard to imagine anything less than resounding success when five such historically excellent enterprises come together. On point (b), the Applied Humanities BA's required internship further mitigates student risk by

Measures
Direct Measures will include assessment of samples of student work from core courses.
Indirect Measures will include post program, student surveys, alumni surveys, internship supervisor surveys, and employer surveys to provide indirect measures of student preparation in the humanities preparation and professional preparation for employment.

Assessment Methods/ Instruments
1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.
2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.
3. Embedded course assessments using rubrics will also be used for course projects, presentations, and written assignments during the program.
4. Rubrics will be coded with the following scores: does not meet, meets, exceeds expectations.
5. Student challenges in particular courses will point to changes that need to be made in the curriculum to improve learning.
6. Assess program outcomes related to changes that are made.
7. The entire assessment scheme will be measured in a 3-year cycle, and will be periodically reviewed with Office of Instruction and Assessment for critical
providing an experience that overwhelming evidence shows is key to future employability. On point (c), students who graduate with this degree will be able to document for potential employers not only that they learned about such topics as intercultural translation, transdisciplinary project development, and community management, but also that they learned how to deploy these skills in a range of contexts and with a variety of diverse stakeholders. No other degree at the UA offers such in-depth training for this type of work.

Justification: A recent study by Google of success in their workforce determined that the top skills needed by Google’s top employees were: “being a good coach, communicating and listening well, possessing insights into others (values and points of view), having empathy toward and being supportive of one’s colleagues, being a good critical thinker and problem solver, and being able to make connections across complex ideas” (Washington Post, 12/20/17). “STEM expertise was dead last.”

The proposed Humanities degree partners with the Eller College of Management, the College of Agriculture and Life Sciences, College of Architecture, Planning and Landscape Architecture, and the Mel and Enid Zukerman College of Public Health to provide a technical background together with the “soft” skills often associated with the humanities, but identified by Google

input/improvement.
as being most important in their employees. This BA will provide students with a degree that meets the demand for the study of business administration, fashion, and public health from a broader disciplinary perspective than a traditional degree in these fields.

According to World Economic Forum Future of Jobs Report, technological trends such as the Fourth Industrial Revolution will create many new cross-functional roles for which employees will need technical, social, and analytical skills.

Market Need: According to the 2017 NACE Job Outlook Full Report, the competency of “critical thinking/problem solving” has been rated the highest need by employers for the third time since employers have been asked to provide needs ratings. “Professionalism/work ethic” is rated second highest. “Oral/written communications” and “teamwork and collaboration” are rated equally as essential this year. This BA focuses on the development of these competencies.

Potential jobs: State and federal government cultural attaché; private industry careers involving international client relations; international health careers involving organizational and/or project management; and international fashion promotion and client management.

Expanding on market need: This issue stems from the fact that the full proposal
was abridged for ASAC review. The full proposal begins by reviewing the considerable research indicating a need for new educational approaches to train an emerging and globally aware workforce. This research shows an overwhelming and constant demand—among employers of all industries—for new, interdisciplinary university degrees that provide future employees with the technical and cognitive skills vital to changing global markets (e.g., this recent article in Harvard Business Review).

Since 2016, the UA administration has hired and collaborated with numerous firms and employers to find out what employers and students need and want. At the initiative of UA Vice President for Academic Initiatives-Student Success Vincent Del Casino, Assistant Vice Provost for Student Engagement Abra McAndrew, and Dean of Admissions Kasey Urquidez, data were collected during academic year 2016-2017 via agencies such as the World Economic Forum and the National Association of Colleges and Employers (NACE). Del Casino and McAndrew presented an overview of their findings at the UA Deans’ Council in January 2017; and Urquidez invited Advisory Board Company-EAB to host the workshop “Embedding Enrollment Priorities into Academic Decision-Making” on the UA campus in May 2017. The research presented in these and other fora showed that the cognitive skills emphasized in the humanities are in demand in all industries. UA Administration presented its findings via four documents—the 33 page 2017
NACE Job Outlook Full Report; the 157 page World Economic Forum Future of Jobs Report; the 67-slide EAB PowerPoint presentation “Hardwiring Enrollment Priorities Into Academic Decision-Making”; and Jeffrey J. Selingo’s 2016 book There is Life After College—all of which highlighted the need for a program that partners technical, hands-on training with the soft skills cultivated by the humanities.

Locally, market need is evidenced by strong student demand for such a program at UA. According to the College of Humanities’ (COH) advisors and Heads/Directors, students interested in the humanities—especially those not planning to attend graduate school—repeatedly ask (often pushed by parents) if COH offers coursework on humanities-oriented administrative, professional, and quantitative skills that will make them more competitive on the job market.

Moreover, according to Del Casino, UA Career Services advisors are often asked to help UA students of all majors to articulate in their résumés, cover letters, and job interviews, the particular professional skills they have acquired during their studies. This assistance is most welcome by COH faculty and students, yet it also reveals an unmet demand at the UA, namely, a humanities degree that is essentially professional in nature. The BA in Applied Humanities is specifically designed to meet this need by preparing students of the humanities to apply their knowledge in professional
contexts such as non-profit management, multi-lingual grant writing, cultural attachés, community organizers, and so on.

Finally, the Colleges of Management, Agriculture/Life Sciences, Public Health, and Architecture/Planning/Landscape Architecture have expressed to COH a need for a degree program that offers opportunities their students a hybrid learning platform, one that combines some of the less technical aspects of their fields with a more sophisticated humanities skill set (e.g., cultural and linguistic translation and interpretation) that they could not ordinarily obtain in their prescribed major plans. The BA in Applied Humanities provides students with a degree that meets this demand, and does so in a more advanced form than current UA degrees allow.

<table>
<thead>
<tr>
<th>Masters in Healthcare Management (MHM), Department of Management and Organizations, Eller College of Management</th>
<th>No</th>
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<tbody>
<tr>
<td>Offered through UA Online.</td>
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<tr>
<td>Anticipated first semester of admission is Fall 2018</td>
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Description: The MHM will be a business degree that provides students with a solid foundation in core business concepts along with specialized healthcare management curriculum that contextualize business within contemporary healthcare challenges. The program provides a solid foundation in healthcare management with three core healthcare management foundation courses. Upon this foundation students can select a concentration in healthcare leadership, healthcare innovation, or healthcare informatics. These three areas of concentration are based on the needs identified through extensive interviews with healthcare leaders.

**Learning Outcomes**

**Concepts:**
1. Explain the principles of management;
2. Explain the breadth and scope of challenges facing the healthcare industry, with particular emphasis on the US healthcare system;

**Competencies:**
3. Integrate business principles of accounting, finance, economics, and marketing into problems based on the healthcare context;
4. Define healthcare leadership and organization challenges associated industry structure, policy dynamics, and outcome-based health delivery models;
5. Apply healthcare concentration insight

Learning Outcomes

<table>
<thead>
<tr>
<th>Concepts:</th>
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<tbody>
<tr>
<td>1. Explain the principles of management;</td>
</tr>
<tr>
<td>2. Explain the breadth and scope of challenges facing the healthcare industry, with particular emphasis on the US healthcare system;</td>
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<thead>
<tr>
<th>Competencies:</th>
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<tbody>
<tr>
<td>3. Integrate business principles of accounting, finance, economics, and marketing into problems based on the healthcare context;</td>
</tr>
<tr>
<td>4. Define healthcare leadership and organization challenges associated industry structure, policy dynamics, and outcome-based health delivery models;</td>
</tr>
<tr>
<td>5. Apply healthcare concentration insight</td>
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</tbody>
</table>
Justification: The business of healthcare delivery is becoming increasingly complex with providers facing pressures to cut costs, increase patient outcomes, and coordinate across a continuum of care. While health policy was the traditional background of healthcare leaders, increasingly leaders are finding the need for formal business training. The top healthcare management master’s degrees are offered through public health colleges with a heavy emphasis on health policy, and traditional MBA programs provide excellent business training, but a relatively small sampling of courses related to healthcare. We are proposing a new degree to fill this gap and address the needs of the rapidly evolving healthcare industry.

Market Need: Healthcare is one of the fastest growing economic sectors in both Arizona and the United States. According to the Bureau of Labor Statistics (BLS), healthcare jobs are “expected to have the fastest employment growth and to add the most jobs between 2014 and 2024.” With this industry growth, healthcare is expected to add close to 3 million jobs by 2024, which means there will be at least 300,000 managerial and leadership position added to supervise the new hires in healthcare. In fact the BLS projects a 17% growth in job for medical and health service managers from 2014-2024, much faster than the average for all occupations. Job listings on Indeed.com suggest that there are currently more than 1,500 fulltime jobs available in Arizona in the area of healthcare administration.

to deliver an implementable solution to a contemporary healthcare challenge.

Measures
Direct measures will include assessment of student work from core courses. Indirect measures of student learning include surveys of students upon graduation regarding their beliefs of how successful they were in meeting the learning outcomes and the likely contribution of these outcomes to career success. The survey questions will be based on rubrics that incorporate each learning outcomes.

Assessment Methods/ Instruments
1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.
2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.
3. Embedded course assessments using rubrics will also be used for course projects, presentations, and written assignments during the program.
4. Rubrics will be coded with the following scores: does not met, meets, exceeds expectations.
5. Student challenges in particular courses will point to changes that need to be made in the curriculum to improve learning.
6. Assess program outcomes related to changes that are made.
7. For program outcomes, we will assess
| Master of Science in Business Analytics, Department of Management, Eller College of Management | Yes | Description: The MS in Business Analytics combines a technical and managerial curriculum to provide students with the expertise required to apply analytics to business problems and make decisions in data-centric environments. The degree offers a program in which students can immediately apply the knowledge and skills they learn in the classroom in a broad range of jobs in high-paying commercial and non-profit sectors.

Justification: The UA is well-equipped to offer this degree, drawing on the interdisciplinary breadth within the Eller College’s with its highly ranked programs in Management and Information Systems, MBA, finance, economics, accounting, and marketing. This degree will prepare graduates to meet the growing market need for jobs in Data Science and Data Analysis.

Market Need: The demand for qualified business professionals with analytical skills so exceeds the supply that organizations report trouble finding qualified individuals to hire. Indeed.com reports that there are 5,728 unfilled jobs in Data Business, 9,421 in Data Science, and 6,196 in Data Analysis. Graduates

Learning Outcomes

Concepts:
1. Knowledge of a broad set of analytical tools to address business decisions; these tools include statistics, regression analysis, data visualization, data mining, experimental design, data curation and storage;

Competencies:
2. Be able to use a broad set of analytical tools to address business decisions; these tools include statistics, regression analysis, data visualization, data mining, experimental design, data curation and storage;
3. Determine appropriate tools to address a business decision such as customer segmentation, customer targeting, scarce resource allocation, financial results analysis, sentiment determination;
4. Interpret and analyze results to support business decision-making in finance, marketing, accounting, or economics; and
5. Self-Assessment of expertise gained from the program to communicate learning outcomes to employers. |
with the MS in Business Analytics would be prepared to step into these jobs. The consulting firm McKinsey & Co. projects that 2018 will see a “50-60% gap between supply and demand of deep analytic talent.” The shortage is felt across a broad spectrum of industries, including aerospace, insurance, pharmaceuticals, and finance.

<table>
<thead>
<tr>
<th>Measures</th>
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<tbody>
<tr>
<td>Direct Measures include assessment of student work from core courses.</td>
</tr>
<tr>
<td>Indirect measures include post-graduation surveys to be administered to students and employers after three years to determine the utility of skills and experiences acquired in program and to recalibrate as indicated to meet the needs of students and recruiters.</td>
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</tbody>
</table>

**Assessment Methods/ Instruments**

1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.
2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.
3. Embedded course assessments using rubrics will also be used for course projects, presentations, and written assignments during the program.
4. Rubrics will be coded with the following scores: does not meet, meets, exceeds expectations. Learning outcomes 1-4 will be assessed in courses with assignments, projects, etc., measured by rubrics customized to measure specific outcomes. Learning outcome 5 will be assessed based on student-specific placement data and recruitment metrics.
5. Student challenges in particular courses will point to changes that need to be made in the curriculum to improve learning.

4. Assess program outcomes related to
<table>
<thead>
<tr>
<th>Master of Medical Studies (MMS), College of Medicine Phoenix</th>
<th>No</th>
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<tbody>
<tr>
<td>Offering: Phoenix Biomedical Campus</td>
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<tr>
<td>Anticipated first semester of admission is Fall 2018</td>
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<tr>
<td><strong>Description:</strong> The MMS Program curriculum provides fundamental biomedical sciences, evidence-based medicine, research design, hands-on clinical exposure in healthcare settings, and leadership development to students interested in careers in the medicine, biomedical research, epidemiology, biostatistics, public health, biotechnology or research administration.</td>
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<tr>
<td>Justification: The MMS is designed for Arizona residents whose objective is a career in medicine and other medical fields and who wish to enter a field of medicine. The program will provide a means to pursue an education related to medicine for students who may have been under-resourced for reasons such as socioeconomic status, educational opportunities, geography, and/or being a first-generation college attendee.</td>
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<tr>
<td>Market Need: According to a new study entitled “The Complexities of Physician Supply and Demand: Projections from 2015 to 2030” from the Association of American Medical Colleges (AAMC), the United States will face a shortage of between 40,800 and 104,900 physicians by 2030. The numbers of new primary care physicians and other medical specialists are not keeping pace with the demands of our growing and aging population.</td>
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<tr>
<td><strong>Learning Outcomes</strong></td>
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<tr>
<td><strong>Concepts:</strong></td>
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</tr>
<tr>
<td>1. Translate knowledge of histology, anatomy, mechanisms of disease, biochemistry, cell biology, physiology, pathology, immunology, microbiology, and epidemiology to clinical application;</td>
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<tr>
<td>2. Identify the physician’s and other health professionals’ roles and responsibilities in providing evidence-based preventive services to individuals and populations;</td>
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<tr>
<td><strong>Competencies:</strong></td>
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<tr>
<td>3. Demonstrate an awareness of and practice ongoing reflection with legal, ethical and/or social issues related to the standards of medical practice;</td>
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<tr>
<td>4. Obtain an accurate history and perform both complete and focused physical examinations, and orally present patient data and clinical information in an organized and accurate manner; and</td>
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<tr>
<td>5. Analyze evidence-based articles in basic or clinical sciences and develop a prospectus on a topic to be used as a formal clinical research project. This includes identifying and collaborating with a mentor.</td>
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<tr>
<td><strong>Measures</strong></td>
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<tr>
<td><strong>Direct Measures</strong> will include assessment of student work within core courses.</td>
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<tr>
<td><strong>Indirect Measures</strong> will include student evaluations of coursework and instructors in the program and a post-graduation survey on their perceived success in meeting specific learning outcomes.</td>
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<tr>
<td><strong>Assessment Methods/Instruments</strong></td>
<td>10</td>
</tr>
</tbody>
</table>
1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.

2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.

3. Embedded course assessments using rubrics will also be used for course projects, presentations, and written assignments during the program. Rubrics will also be used for comprehensive exams.

4. Rubrics will be coded with the following scores: does not meet, meets, exceeds expectations. Learning outcomes 1-4 will be assessed in courses with assignments, projects, etc., measured by rubrics customized to measure specific outcomes. Learning outcome 5 will be assessed based on student-specific placement data and recruitment metrics.

5. Student challenges in particular courses will point to changes that need to be made in the curriculum to improve learning.

4. Assess program outcomes related to changes that are made.

5. Each year, formal program evaluation will be conducted for program improvement and modification. Contributing information will be gathered from student course and instructor evaluations, overall assessment activity outcomes, and focus groups/questionnaires sampling students, alumni, and faculty.
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<tr>
<th>Item</th>
<th>Description: The Ph.D. equips scholars with the interdisciplinary training, skills, and research experience necessary to address contemporary concerns from an intercultural understanding of the arts in society, education, human health and well-being in global contexts. The program will emphasize the identification of ethnomusicology's ethnographic, intercultural, people-centered findings and perspectives with the aim of advancing research beyond the realm of music and particularly towards addressing current contemporary problems and concerns, in the domains of human rights, healthy human and natural environments, and the deepening of understanding of the human mind and body. Justification: This program will be in the Graduate College Interdisciplinary Programs (GIDPs) and will be anchored by 14 interdisciplinary core faculty from science, public health, cognition, social and behavioral sciences, humanities, and education, along multiple arts disciplines. The faculty and many of the courses in a GIDP come from departments across campus, and as such, the cost to offer a GIDP is minimal. Market Need: Ninety percent of ethnomusicologists are employed by universities and colleges, according to</th>
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<tbody>
<tr>
<td>Ph.D. in Applied Ethnomusicology and Intercultural Arts Research (AEIAR), Graduate Interdisciplinary Programs, Graduate College</td>
<td>Offer on Main Campus Anticipate first semester of admission will be Fall 2018</td>
</tr>
<tr>
<td>Learning Outcomes</td>
<td>Concepts:</td>
</tr>
<tr>
<td>1. Identify relationships of musical practice with social, biological and environmental dynamics;</td>
<td></td>
</tr>
<tr>
<td>2. Generate new understandings of human diversity and universals through musical and related arts;</td>
<td></td>
</tr>
<tr>
<td>3. Document practice in various modalities and media: audio, visual, historical (oral history), and digital;</td>
<td></td>
</tr>
<tr>
<td>Competencies:</td>
<td>4. Integrate knowledge from analytical modalities, research design, and techniques for a qualitative and quantitative study to address a specific problem; and</td>
</tr>
<tr>
<td>5. Assess techniques of cultural promotion, preservation, and curation.</td>
<td></td>
</tr>
<tr>
<td>Measures</td>
<td>Direct measures will include assessment of student work in core courses, from the comprehensive exam, from the dissertation, and from the oral defense of the dissertation. Rubrics will be designed for these assessments. Indirect measures will include exit interviews with students to gather information about the value of the program and help collect information to improve achievement of learning outcomes. Also, each year, data from</td>
</tr>
</tbody>
</table>
Society for Ethnomusicology’s 2014 survey of members. The Society’s job board posted 18 announcements of job openings in September, with 10% of those in public sector positions. Graduates from this program would be suitable for jobs in: educational settings; governmental agencies; publishing; recording companies; media providers; museums; music therapy; hospitals and health agencies; cultural heritage preservation; archives; folk-life centers; film and stage production; arts management and program coordination; and intellectual property.

It is of note that UA received an NIH grant for a partnership between neurobiology and music on audio therapy.

alumni will be collected to determine employment success and graduate application of the degree outcomes. Data will be used to further improve instruction, job placement, and gather longitudinal information.

Assessment Methods/ Instruments

1. The program is using curriculum maps of learning outcomes in core courses to indicate when a specific learning outcome is introduced, practiced, and assessed in the core courses.

2. Taskstream software is used to facilitate the mapping. Specific assignments throughout the program will be used for the program assessment.

3. Embedded course assessments using rubrics will also be used for course projects, presentations, and written assignments during the program.

4. Rubrics will be coded with the following scores: does not met, meets, exceeds expectations.

5. The AIER Ph.D. program requires a student to complete written and oral comprehensive exams based upon coursework aligned with learning outcomes and the student’s plan of study. Rubrics will be developed to assess student writing and critical thinking and oral communication for the comprehensive exams. In addition, writing and critical thinking assessment will be performed using rubrics developed for the dissertation and for oral communication for the defense. Students will also assessed on their proposal for research. Individual progress in meeting the program
Learning outcomes will be also be evaluated by the Executive Committee of the GIDP through annual student evaluations.

6. Student challenges in particular courses or on the comprehensive exam or in the dissertation and oral presentation will point to changes that need to be made in the curriculum to improve learning.

7. Assess program outcomes related to changes that are made.

<table>
<thead>
<tr>
<th>Masters of Science in Natural Science for Teachers</th>
<th>No fee</th>
<th>Justification for closing the program:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offered by the College of Science</td>
<td></td>
<td>The enrollment in the program has decreased over the years with only four students currently enrolled. Two of these students are expected to graduate this summer. Two students have been in contact with the program sporadically, and we are not certain they will continue in the degree. Three other students have recently withdrawn from the program. This program was designed for teachers who are active in middle or high school classrooms. The market value of the degree for practicing teaching has decreased. With decreased enrollments, the college cannot continue to pay instructors who are focused on teacher preparation.</td>
</tr>
<tr>
<td>Last admit term will be 2017</td>
<td></td>
<td>Students can enroll in the MA in Teacher</td>
</tr>
</tbody>
</table>

Table II – Disestablishment of a High Demand Program

Impact on current students:
The program will not be disestablished until all students have completed the degree, decided not to complete the degree, or within 6 years, whichever comes first. All students currently enrolled in the program will be contacted with the information about future closure of the program and with the intent to learn the students' plans relative to completing the program.

4 students enrolled
and Teacher Education that has a subspecialty in science teaching and is offered through the College of Education.
## Proposed Elimination of Academic Units

<table>
<thead>
<tr>
<th>Unit</th>
<th>Requested Action</th>
<th>Justification/Brief Description of Proposed Action</th>
<th>Impact on Current Students</th>
<th>Expected Fiscal Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Letters, Arts</td>
<td>Eliminate the College</td>
<td>The College of Letters, Arts, and Science was established as merger of the Colleges of Humanities, Fine Arts, Social and Behavioral Sciences, and Science (CLAS) in 2009. This umbrella college was designed to contain the four separate colleges, but also to maintain branding and donor bases that were already deeply established, the individual colleges would remain intact. The intent was to facilitate the establishment of new programs and research collaborations through the umbrella college. CLAS was also designed to house the CLAS Advising unit that provided advising to new freshmen who have not yet selected a major, for students transitioning out of one college to select a new major, and for two interdisciplinary degrees: the BA in Global Studies and the BGS degree in General Studies. The associate deans within CLAS provided support for these two interdisciplinary programs and worked together to support the CLAS advisors. However, supporting the CLAS advisors does not need the infrastructure represented by the Colleges of Letters, Arts, and Science with an Executive Dean. Furthermore, interdisciplinary research projects and new academic programs have been formed without the infrastructure of CLAS. Following discussion with the deans and associate deans and the directors of CLAS Advising, Global Studies, and General Studies, we have decided to disestablish the umbrella college of CLAS.</td>
<td>There will be no negative impact on the students currently advised by the CLAS advisors. The current programs will function as interdisciplinary degrees as they have been doing since 2009. A positive change that is anticipated is that the undecided students will be clustered into meta-majors with specific advisors assigned to each meta-major. This will provide deeper connections between the student and the advisor and allow more focused major exploration programming for undecided students. Once students have selected a major, they will be advised by the advisors in that program.</td>
<td>The Associate Dean in Humanities has overseen the CLAS Advising unit since 2009. A new administrator will be hired to oversee the CLAS Advising unit (name change TBD) when it is moved to the Provost Office. Otherwise, all the current financial support will be transferred to the Provost Office to administer the unit.</td>
</tr>
<tr>
<td>Outreach College</td>
<td>Eliminate the College</td>
<td>With the disestablishment of CLAS, the CLAS Advising unit will be moved under the Office of the Provost. The expectation is that additional interdisciplinary undergraduate degrees will be established with faculty executive committees that function similar to the Graduate Interdisciplinary Program and similar to the Global Studies and General Studies degrees.</td>
<td>No impact to the students with this elimination. All students are housed within their academic programs and colleges, as before. Academic Initiatives only supports the development of online programs and administers the distance campus.</td>
<td>No impact. All programs have already transitioned out of the Outreach College.</td>
</tr>
</tbody>
</table>
## Request to Establish a New Academic Program Requiring a Program Fee

### University of Arizona

#### 2018-2019

<table>
<thead>
<tr>
<th>Program Name / Degree:</th>
<th>Master of Business Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested by</td>
<td>Paulo Goes – Dean Eller College of Management</td>
</tr>
<tr>
<td>Initial Student Enrollment (Sem/Yr)</td>
<td>Fall 2018</td>
</tr>
<tr>
<td>Level</td>
<td>Graduate Undergraduate XXXXXX</td>
</tr>
<tr>
<td>CIP Code</td>
<td>52.1399</td>
</tr>
</tbody>
</table>

### Program Description

The Master's of Science in Business Analytics program will operate at the intersection of business, quantitative methods and information technology with a clear focus on business applications. The program will focus on the application of current analytical methods to business problems utilizing business world data wherever possible. Many competing programs are simply rebadged statistics programs. We see this program as different from many others in that it is clearly a “business” analytics program with real world applications with business partner provided data in most if not all courses. We will address the foundational skills and tools needed to do business analytics and apply those to real situations.

### Justification for Program (State /regional need; relationship to institutional and system strategic plans)

Below is the vision for the Eller College developed by Dean Paulo Goes as communicated in his annual college report dated 5/2/2017.

**Vision**

- We will become a top 10 public business school. Influential and a widely recognized leader in business education, frontier knowledge discovery and impact on business practice.
- We will create the future of business education and will shape the future of business.
- We will build on our outstanding foundation of business and economics and will embrace forward-leaning big interdisciplinary themes that leverage our core competencies in entrepreneurship, innovation, analytics and digital transformation.
- We will foster and create advanced interdisciplinary immersive environments of experiential learning, where business innovation meets the creative thinking of the Eller students and faculty, and business education intertwine with professional development.
- In the world of the networked economy, we will develop and grow stronger than ever business and community connections, in a close-knit triad of knowledge creation and discovery, education and external partnerships.
- The Eller College will be positioned to address the challenges of the external business world, the demands of the consumers in the various markets for business education.
<table>
<thead>
<tr>
<th>Projected Student Demand</th>
<th>5-year projected annual enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>Year 2</td>
</tr>
<tr>
<td>25</td>
<td>50</td>
</tr>
</tbody>
</table>

**Description of and Rationale for Program Fee**

The program fee will be the same as for all the specialty Master’s programs at the Eller College of Management; it is important to maintain consistent pricing across these programs. They are critical contributors to Arizona's and the nation's economic development, and the University of Arizona is at the forefront of delivery in this area. This program fee funding is used to continuously improve and successfully compete in this education space, enhancing the programs through increased services, including admissions and career advising; investments in facilities and technology; and investments in faculty recruitment and retention.
**University of Arizona**  
**2018-2019**  
**Request to Establish a New Academic Program Requiring a Program Fee**

<table>
<thead>
<tr>
<th>Program Name / Degree:</th>
<th>BS in Nutrition and Food Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested by</td>
<td>Department of Nutrition, College of Agriculture and Life Sci.</td>
</tr>
<tr>
<td>Initial Student Enrollment (Sem/Yr)</td>
<td>Fall 2018</td>
</tr>
<tr>
<td>Level</td>
<td>Undergraduate</td>
</tr>
<tr>
<td>CIP Code</td>
<td>30.0000</td>
</tr>
<tr>
<td>Program Description</td>
<td>The major curriculum is designed to teach students about the food system from production to consumption, including the drivers of the food system, environmental and human health outcomes, and entrepreneurship. This program uses a cross disciplinary approach, with university and community partnerships to create enriching experiential learning opportunities. Potential Jobs: agri-food production management; food processing and distribution management; greenhouse manager; food technology specialist; food marketing and sales; food marketing research; Peace Corps work; organic certification specialist; nutrition policy specialist; non-profit organization work; and state and federal government work.</td>
</tr>
<tr>
<td>Justification for Program (State /regional need; relationship to institutional and system strategic plans)</td>
<td>CALS provides a pivotal role to residents in every county of the state by increasing nutrition and health literacy, food access and improvements to agriculture and the environment through cooperative extension programming. Within the Metro Tucson area, local food industries are well represented with 14 locally-owned farms and ranches that produce food for Tucson restaurants and community food co-ops, 28 businesses produce and market 55-60 heritage foods and beverages that are sold in regional food stores, bars, and restaurants, 61% of the Metro Tucson restaurants and bars are locally owned compared with the national level of 41%, and there is a culture of selling and eating locally grown, produced, and marketed foods and beverages.</td>
</tr>
<tr>
<td>Projected Student Demand</td>
<td>5-year projected annual enrollment</td>
</tr>
<tr>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Description of and Rationale for Program Fee</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>The requested fee will be identical to the fee currently charged to all undergraduate students in the Department of Nutritional Sciences. The fee adds to the student experience by funding additional advising staff. Advising staff would facilitate experiential learning opportunities in an attempt to reach the 100% engagement goal outlined in the Never Settle strategic plan through the development of various educational materials and programs for students in the Nutritional Sciences (NSC) major. Additionally, to prepare the most competitive employable graduates, the undergraduate program aims to increase offerings of specialized instruction in more diverse areas of nutrition. Along with this specialized instructional space, equipment, computer technology (hardware and software), and trained technical staff are required.</td>
<td></td>
</tr>
<tr>
<td>There is a high demand for Nutritional Sciences graduates in the food, supplement and pharmaceutical industries, community nutrition programs, government and public policy, research, academia, and the medical field. Many of these positions are specialized and require specialized education, credentials, and undergraduate preparation to be eligible at the entry level, which necessitates additional advising and training at the undergraduate level.</td>
<td></td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Item Name: Policy Reform on Student Fee Development, including Proposed Revisions to ABOR “Guidelines for Class Fees” and Policy 4-101 “Authority to Set Tuition and Fees” (First Reading)

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

Issue: The board is asked to approve proposed revisions to class fee guidelines, and review on first reading proposed revisions to board policy related to student tuition and fees.

Enterprise Strategic Plan
- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other: Policy and Guideline Revisions

Statutory/Policy Requirements

- ARS § 15-1626 grants ABOR the authority to fix tuitions and fees
- ABOR Policies 4-100, -101, -102, -104, and -105 outline tuition and fee setting

Background and Discussion

- Over the last several meetings, the board has discussed the need to implement reforms to update fee development processes and policies to provide appropriate oversight over the continued growth and evolution of fees within the enterprise.

- Based on prior reform proposals and recent Auditor General observations, the ABOR office proposes a multi-phase process to implement the reforms as summarized in the table below with additional narrative following.
Phase 1 Reforms

- In order to implement fee reforms that can have an immediate impact on the upcoming tuition and fee setting cycle, the following changes are proposed:
  
a. Updating class fee, program fee and differential tuition approval template forms to include:
     i. Outlining purpose and expected benefits to the student from the fee;
     ii. Delineation of expenditures from revenue, including any administrative/overhead charges;
     iii. Process followed regarding student input on program fees and differential tuition;
     iv. Context for the proposed fee in relation to other fees or charges that may also be part of a program or other classes.

b. Revise Board Policy 4-101 to:
   i. Better connect state support to resident student in tuition and fee proposals submitted for ABOR approval.
   ii. Clarify that all non-user fees require ABOR approval within the parameters outlined in policy.

c. Revise class fee guidelines to clarify that administrative charges may be applied to fees and should be noted in the template approval forms when submitted for ABOR approval.

Future Reforms

- In addition, other possible fee reforms will be reviewed and submitted for future discussion, input and possible action in the following areas:
  - Provide clearer definition of allowable fees and charges in board policy.
  - Establishing a fee review or sunset process.
EXECUTIVE SUMMARY

- Increasing transparency of the universities’ fee development process.
- Developing a summary/guide for students detailing the fee setting process and identifying key contact personnel.
- Improving transparency and simplicity in tuition billing.

Requested Action

The board is asked to approve the proposed revisions to ABOR “Guidelines for Class Fees” and to review on first reading the proposed revisions to Policy 4-101 “Authority to Set Tuition and Fees”, as presented in the executive summary.
EXECUTIVE SUMMARY

REVISIONS TO ABOR POLICY 4-101

4-101 Authority to Set Tuition and Fees

A. The Board is responsible for setting tuition and fees as described in this policy. Definitions used in this policy are provided in the Board’s “Guidelines for Definitions Used in Setting Tuition and Fees.”

B. The Arizona constitution obligates the legislature to appropriate funds to insure the proper maintenance, development, and improvement of all state educational institutions.

C. The Arizona constitution requires that instruction furnished be as nearly free as possible. The Board has the responsibility for making decisions regarding quality of instruction, including decisions regarding the quality of faculty and infrastructure necessary for instruction, as well as the resources necessary and available to support instruction.

D. In setting base tuition, the Board will consider the following factors:

   EACH UNIVERSITY SHALL SUBMIT A TUITION AND FEE PROPOSAL FOR BOARD APPROVAL. THE PROPOSAL SHALL INCLUDE:

   1. The amount of state support provided to the university system;

   2. The availability of student financial aid as outlined in the Board’s financial aid policies;

   3. The median of tuition and mandatory fees charged by the university’s peers;

   4. Other student fees and charges established by each university;

   5. The cost of university attendance;

   6. Revenues required to service bonded indebtedness;

   7. Arizona’s median family income levels; and

   8. Evidence of student consultation on PROGRAM FEES AND DIFFERENTIAL TUITION, including:

      a. Information and feedback from elected student representatives; and
EXECUTIVE SUMMARY

b. Consideration of results from student fee referenda or of organized opinion-gathering from students that are likely to be assessed the tuition, mandatory fee, or program fee.

E. In setting colleges of medicine tuition, the Board will consider:

1. The amount of state support provided to the university system;
2. The availability of student financial aid; and
3. The median of tuition and mandatory fees charged by colleges of medicine’s peers.

F. At the discretion of the university president, a university may use the resident per credit hour charge for students taking one through seven credit hours per semester.

G. Prior Board approval is required for:

1. Base tuition
2. All other tuition, except as expressly set forth in this policy
3. Multiple-year tuition plans
4. All new program fees and all changes to program fees
5. All new class fees over $100, all changes to class fees over $100, and any combined lecture/laboratory fees that result in a combined fee of over $100.00
6. Mandatory fees
7. ANY OTHER FEE THAT IS NOT A USER FEE
8. Residence hall rates
9. Meal plan rates

H. Board approval is not required for the following types of tuition if the proposed tuition is lower than Board-approved base tuition:

1. Differential tuition, and
2. Tuition for on-line, accelerated, distributed or off-cycle programs
Universities are required to report to the Board on an annual basis any tuition set by the Universities in accordance with this provision and any changes to the tuition set in accordance with this provision.
Guidelines for Class Fees

Class fees may be charged, in accordance with Board policy 4-104 only for the following:

A. Group travel costs such as gas and mileage reimbursements not including food UNLESS CONSIDERED NECESSARY DUE TO THE NATURE OF THE FIELDTRIP.

B. Admission and rental fees to off-campus educational facilities.

C. Rental or use fees for specialized equipment used exclusively for instruction.

D. Rental or use fees for on campus facilities where a usage fee is normally charged.

E. Off-campus field trips or specialized equipment and facilities use.

F. Private instruction such as one-on-one study with an instructor for music performance.

G. Expendable materials such as:
   1. Materials of a specialized nature not readily available in retail stores.
   2. Materials that can be purchased by the department in large quantities at significant cost savings to the students.
   3. Materials that must conform to certain specifications and be identical for all students.
   4. Expensive materials needed by each student in such small quantities that they could not normally be purchased economically in such quantities.

H. Technology expense fees that are beyond the expected basic technology services as defined by each university.

I. Selected expenses such as:
EXECUTIVE SUMMARY

1. Art class models for hire, musical accompanists, and mock patients for clinical practice classes.

2. Supervisory instruction (including travel) for in-context training classes such as onsite student teaching, social work practicum, and nursing clinical experience.

3. Special instructional support such as technological support for multimedia learning digital and graphic design, enhanced audio-visual development, and small breakout group assistants, recitation sections, materials preparation, chemicals, supplies essential for classroom instruction, and group learning facilitators.

J. Refundable deposits for expensive equipment or apparatus that is temporarily entrusted to the students’ care.

K. ADMINISTRATIVE CHARGES FOR USE AS NOTED IN THE SUBMISSION FOR BOARD APPROVAL.

Charges for class fees:

A. Class fees shall be billed in the same fashion as other tuition and fees, unless payment of the fees is made directly to a non-university operator for equipment or facilities. The fact that the class fee will be paid directly to a non-university recipient must be disclosed prior to the Board approving the fee.

B. Class fees are collected at the time of tuition payment and will be distributed by the university to local department accounts. On site payments may not be made to the course instructor.

Refunds of class fees and deposits shall be in accordance with established university policy and academic units are responsible for maintaining student deposit records
EXECUTIVE SUMMARY

Item Name: Discussion and Consideration of Legislation Affecting the University Enterprise

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

Issue: The board office asks the board to discuss and consider legislation affecting the university system and possibly approve positions regarding the legislation.

Enterprise or University Strategic Plan

- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other: Government Affairs

There are no written materials for this item.

Requested Action

The board office asks the board to discuss and consider legislation affecting the university system and possibly approve positions regarding the legislation.

Contact Information:
John Arnold, Vice President for Business Management and Financial Affairs, ABOR
602-229-2507, john.arnold@azregents.edu
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EXECUTIVE SUMMARY

Item Name: Discussion and Consideration of Legislation Affecting the University Enterprise

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: The board office asks the board to discuss and consider legislation affecting the university system and possibly approve positions regarding the legislation

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real Property purchase/sale/lease
☒ Other: Government Affairs

Background

Bills the board previously voted to support:

HB 2237: Psychologists; Licensure; Requirements (Representative Cobb)

An applicant for licensure can be approved if the applicant earned a doctoral degree from a program that was accredited by the American Psychological Association, office of program consultation or the psychological Clinical Science Accreditation System at the time of graduation.

Heard in House Health Heard on 2/1; issued do-pass recommendation

SB 1088: Children; Veterans; Disabilities; Tuition Waivers (Senator Borrelli)

Arizona Board of Regents (ABOR) and community college districts are required to provide a tuition waiver to the child or dependent of a veteran whose disability

Contact Information:
John Arnold, Vice President for Business Management and Financial Affairs, ABOR
602-229-2507, john.arnold@azregents.edu
rating is 30% or more, an Arizona resident, and stationed in Arizona at the time of the injury. Tuition waivers are limited to persons who are 30 years of age or younger, and who have not obtained a total number of credits equal to the number of credit required to earn a baccalaureate degree at a state university. Amendments: Money appropriated to ABOR and community colleges for tuition waiver, and tuition waiver reduced by the amount of any other federal aid scholarships or public grants.

Heard in Senate Education; Heard 1/18; issued do-pass recommendation

**Bills the board office recommends for support**

**HB 2475: appropriation; Arizona national guard; tuition (Representative Andrade)**

Appropriates $1,446,000 from the GF in FY 2019 to DEMA for tuition and fees for Arizona National Guard members.

Scheduled to be heard in House Military, Veterans, and Regulatory Affairs on February 12 at 2:00 p.m.

**SB 1215: WICHE; Continuation (Senator Allen)**

The statutory life of the Western Interstate Commission for Higher Education is extended eight years to July 1, 2026. Retroactive to July 1, 2018.

Heard in Senate Education 1/25; issued do-pass recommendation
Heard in Senate Rules 1/29; Okay
Passed through the Senate 25-3-2-0-0-0; ready for House

**Bills the board office recommends for support with appropriation**

**HB 2482: Foster Care Tuition Waiver (Representative Shope)**

The Arizona Board of Regents and each community college district is required to provide a "tuition" (defined) waiver scholarship to an Arizona resident who was in foster care when the person was at least 13 years of age, was adopted from foster care and the adoption was finalized when the person was at least 13 years of age, or is currently in foster care and is at least 13 years of age, and who meets a list of other specified qualifications.

*support with appropriations amendment

Scheduled to be heard in House Education Monday 2/12 2pm
EXECUTIVE SUMMARY

Bills the board office recommends to oppose

HB 2172: Postsecondary Institutions; Possession; Nonlethal Weapons (Representative Grantham)

A university under the jurisdiction of the Arizona Board of Regents (ABOR) that receives any type of public monies is cannot prohibit possession of a nonlethal weapon by any person on the campus

Heard in House Education 1/29; issued do-pass recommendation

HB 2280: universities; Lease-back financing (Representative Leach)

The Arizona Board of Regents (ABOR) cannot enter a development agreement or execute a transaction for which a deed is transferred to the board and the board or university subsequently leased back to a private entity for commercial use, unless the property is used for a primarily academic purpose, for student housing, or as authorized in section 15-1636. The board cannot designate a new research park or increase the size of an existing research park without approval from the legislature. The board will review all lease to make sure universities are compliant, and may not designate this authority.

Heard in House Ways and Means 1/3; issued do-pass recommendation

SB 1422: universities; tuition and fees (Senator Griffin)

Requires online tuition to be differentiated between resident and not resident students. Prohibits universities from using tuition dollars to support or fund a separate foundation or non-profit organization. Eliminates the board’s ability to delegate any fee setting authority to the presidents.

Bills the board office recommends a neutral position

HB 2563: Postsecondary Institutions; Free Expression Policies (Representative Boyer)

Arizona Board of Regents must adopt a free speech policy that allows individuals to freely express themselves whether through speech, protest, or the distribution of materials. If a person is found to be in violation of these policies, through
denying the free expression of another individual, the person is allowed a hearing with witnesses and an appeal. Universities must change their policies to match that of this legislation. Universities must establish a joint committee with community colleges on free expression and publish an annual report on committee findings.

Scheduled to be heard in House Education Monday 2/12 2pm

RECOMMENDATION:

The board is asked to approve the positions on legislation as presented in the executive summary.
EXECUTIVE SUMMARY

Item Name: Proposed Revisions to ABOR Policies 6-910 “Appointments Requiring Board Approval” and 6-1001 “General Provisions” and proposed repeal of 6-1002 “Authority,” 6-1003 “Contract” and the Board Guidelines for Communication with the Board regarding Multiple-Year Coaching Contracts (First Reading)

☐ Action Item
☐ First Read of Proposed Policy Change
☒ Information or Discussion Item

Issue: The board office asks the board to review on first reading proposed revisions to ABOR Policies 6-910 “Appointments Requiring Board Approval” and 6-1001 “General Provisions” and Proposed Repeal of 6-1002 “Authority,” 6-1003 “Contract” and the ABOR Guidelines for Communication with the Board regarding Multiple-Year Coaching Contracts.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☒ Other: Governance

Policy Requirements

• Arizona Board of Regents Policies 6-910, 6-1001, 6-1002, and 6-1003.

• Arizona Board of Regents Guidelines for Communication with Board regarding Multiple-Year Coaching Contracts.

Background and Discussion

• The board currently has several policies and guidelines that govern multiple-year contracts with intercollegiate athletics directors and head coaches.

Contact Information:
Nancy Tribbensee   nancy.tribbensee@azregents.edu   602-229-2510
EXECUTIVE SUMMARY

- The proposed revisions consolidate board rules regarding these multiple-year contracts in a single policy.

- The proposed revisions will revise and rename board policy 6-1001 (Multiple-Year Contracts with Athletics Directors and Head Coaches) and repeal board polices 6-1002 and 6-1003 and the Guidelines for Communication with Board regarding Multiple-Year Coaching Contracts. Board Policy 6-910 will also be updated to align with these changes.

- The revised board policies will require board approval for multiple-year university contracts with intercollegiate athletics directors and head coaches for football, basketball and baseball.

- In seeking board approval, the university will disclose to the board the following information and proposed contract terms for athletics directors and head coaches for football, basketball and baseball:
  
  a. The duties and responsibilities of the head coach or intercollegiate athletics director;
  b. Salary (including all incentives) and all other monetary consideration or incentives (e.g., ticket sales);
  c. Academic and performance incentives should indicate current student athlete or team achievement as well as the level of achievement necessary to receive incentive payments;
  d. Clawback provision requiring return of incentives paid for performance if credit for games or championships are vacated, diminished or otherwise “lost” due to NCAA infractions or violations or other penalties, whether self-imposed by the university, or imposed by the university’s conference or the NCAA;
  e. Contract term;
  f. Any non-compete provision or restrictive covenant that permits the university president to enjoin the employee from accepting another related employment position;
  g. Any buyout related to the individual’s previous employment (and if applicable, any buyout for the departing ABOR university coach or athletics director), including information on the source of funds and amount;
  h. Early termination provisions (whether the employee terminates or the university terminates), including mitigation or offset if the employee is employed elsewhere during the remaining term;
  i. Contributions from outside donors, including for retention bonus or buyouts;
  j. Camp agreements;
  k. Requirements to disclose outside income, e.g., other service agreements, endorsements, real estate interests with proximity or connection to athletics or athletics facilities;
EXECUTIVE SUMMARY

I. Additional benefits such as car, plane, country club memberships, etc.; and
m. Other information as the university deems appropriate or as requested by or on behalf of the board.

- The university will require each athletics director and head coach to promptly disclose suspected violations of NCAA or conference rules by the athletics director, coach or other employees or representatives of the university’s athletics department to the university president or athletics director and other authorities as appropriate.

- The university will require each athletics director and head coach to cooperate in investigations initiated by the NCAA, conference, the university or law enforcement.

- The university will require each athletics director and head coach to comply with all board and university policies, including all reporting and other requirements under Title IX and other laws related to sexual violence, sexual assault and related conduct.

Recommendation to the Board

The board office asks the board to review on first reading the proposed revisions to ABOR Policies 6-910 “Appointments Requiring Board Approval” and 6-1001 “General Provisions” and proposed repeal of 6-1002 “Authority”, 6-1003 “Contract” and the Board Guidelines for Communication with the Board regarding Multiple-Year Coaching Contracts.
6-910 Appointments Requiring Board Approval

A. The following appointments require Board approval:

1. Appointments and renewals of appointments for the university presidents and the Board's president.
2. The university's chief academic officer.
3. The university's chief financial officer.
4. Multiple-year appointments for head coaches of football, basketball, baseball and intercollegiate athletic directors.
5. Coaches in any other sport if the annual base salary equals or exceeds $400,000.

B. Compensation for Senior Executives must comply with ABOR Policy 6-915 “Executive Compensation.”
EXECUTIVE SUMMARY

ARTICLE J. MULTIPLE-YEAR APPOINTMENTS OF HEAD COACHES AND OF INTERCOLLEGIATE ATHLETICS DIRECTORS

6.1001 General Provisions. MULTIPLE-YEAR APPOINTMENTS OF HEAD COACHES AND INTERCOLLEGIATE ATHLETICS DIRECTORS

A. BOARD APPROVAL IS REQUIRED FOR MULTIPLE-YEAR CONTRACTS WITH INTERCOLLEGIATE ATHLETICS DIRECTORS AND HEAD COACHES FOR FOOTBALL, BASKETBALL AND BASEBALL. IF THE PERIOD OF EMPLOYMENT, WITH ALL PERMITTED RENEWALS AND EXTENSIONS, IS LESS THAN ONE YEAR, BOARD APPROVAL IS NOT REQUIRED.

B. IF BOARD APPROVAL IS REQUIRED FOR A CONTRACT, BOARD APPROVAL IS REQUIRED TO AMEND OR EXTEND THAT CONTRACT.

C. A UNIVERSITY PRESIDENT OR THE PRESIDENT’S DESIGNEE MAY EXTEND A WRITTEN OFFER OF MULTIPLE-YEAR EMPLOYMENT TO AN ATHLETICS DIRECTOR OR UNIVERSITY HEAD COACH IN FOOTBALL, BASKETBALL OR BASEBALL, SUBJECT TO THIS POLICY AND ANY REQUIRED BOARD APPROVAL.

D. FOR ALL CONTRACTS, AMENDMENTS AND EXTENSIONS THAT ARE SUBJECT TO BOARD APPROVAL, THE UNIVERSITY PRESIDENT IS RESPONSIBLE FOR PROVIDING COMPLETE AND TIMELY INFORMATION TO THE BOARD CHAIR AND THE BOARD PRESIDENT AT CRITICAL POINTS IN THE NEGOTIATION PROCESS AND BEFORE THE UNIVERSITY PROVIDES ANY INFORMATION TO THE PRESS. THE UNIVERSITY PRESIDENT IS ALSO RESPONSIBLE FOR PROVIDING ADVANCE NOTICE TO THE BOARD CHAIR AND BOARD PRESIDENT PRIOR TO TERMINATING A CONTRACT THAT HAS BEEN APPROVED BY THE BOARD.

E. NO CONTRACTUAL COMMITMENT TO A COACH OR ATHLETICS DIRECTOR MAY EXCEED A TERM OF 5 YEARS.

F. ALL CONTRACT TERMS FOR THE MULTIPLE-YEAR EMPLOYMENT OF AN ATHLETICS DIRECTOR OR A HEAD COACH FOR FOOTBALL, BASKETBALL OR BASEBALL WILL BE SET FORTH IN A WRITTEN CONTRACT. A HEAD COACH OR ATHLETICS DIRECTOR WITH A BOARD-APPROVED MULTIPLE-YEAR APPOINTMENT IS NOT SUBJECT TO THE BOARD PERSONNEL POLICIES IN CHAPTER VI CONCERNING CONDITIONS OF SERVICE FOR ADMINISTRATORS, FACULTY, PROFESSIONAL OR CLASSIFIED STAFF, UNLESS THE HEAD COACH OR INTERCOLLEGIATE ATHLETICS DIRECTOR ALSO CONCURRENTLY HOLDS AN APPOINTMENT TO ANOTHER EMPLOYMENT POSITION WITH THE BOARD AND THAT OTHER
EXECUTIVE SUMMARY

POSITION IS SUBJECT TO ONE OF THE CONDITIONS OF SERVICE POLICIES. IF THE COACH OR ATHLETIC DIRECTOR WILL BEGIN EMPLOYMENT IN ANY CAPACITY PRIOR TO THE DATE OF BOARD APPROVAL OF CONTRACT TERMS, THE UNIVERSITY WILL PROVIDE NOTICE TO THE BOARD OF THE INDIVIDUAL’S EMPLOYMENT STATUS AND CONDITIONS OF SERVICE FOR THE PERIOD PRIOR TO BOARD APPROVAL.

G. THE UNIVERSITY IS RESPONSIBLE FOR CONDUCTING PRE-EMPLOYMENT DUE DILIGENCE PRIOR TO RECOMMENDING THAT THE BOARD APPROVE THE MULTIPLE-YEAR CONTRACT.

H. IN SEEKING BOARD APPROVAL, THE UNIVERSITY WILL DISCLOSE TO THE BOARD THE FOLLOWING INFORMATION AND PROPOSED CONTRACT TERMS FOR ATHLETICS DIRECTORS AND HEAD COACHES FOR FOOTBALL, BASKETBALL AND BASEBALL:

1. THE DUTIES AND RESPONSIBILITIES OF THE HEAD COACH OR INTERCOLLEGIATE ATHLETICS DIRECTOR;

2. SALARY (INCLUDING ALL INCENTIVES) AND ALL OTHER MONETARY CONSIDERATION OR INCENTIVES (E.G., TICKET SALES);

3. ACADEMIC AND PERFORMANCE INCENTIVES SHOULD INDICATE CURRENT STUDENT ATHLETE OR TEAM ACHIEVEMENT AS WELL AS THE LEVEL OF ACHIEVEMENT NECESSARY TO RECEIVE INCENTIVE PAYMENTS;

4. CLAWBACK PROVISION REQUIRING RETURN OF INCENTIVES PAID FOR PERFORMANCE IF CREDIT FOR GAMES OR CHAMPIONSHIPS ARE VACATED, DIMINISHED OR OTHERWISE “LOST” DUE TO NCAA INFRACTIONS OR VIOLATIONS OF OTHER BINDING RULES OR OTHER PENALTIES, WHETHER SELF-IMPOSED BY THE UNIVERSITY, OR IMPOSED BY THE UNIVERSITY’S CONFERENCE OR THE NCAA;

5. CONTRACT TERM;

6. ALL NON-COMPETE PROVISIONS OR RESTRICTIVE COVENANTS THAT PERMIT THE UNIVERSITY PRESIDENT TO ENJOIN THE EMPLOYEE FROM ACCEPTING ANOTHER RELATED EMPLOYMENT POSITION;

7. ALL BUYOUT PROVISIONS RELATED TO THE INDIVIDUAL’S
EXECUTIVE SUMMARY

PREVIOUS EMPLOYMENT (AND IF APPLICABLE, ANY BUYOUT FOR THE DEPARTING ABOR UNIVERSITY COACH OR ATHLETICS DIRECTOR), INCLUDING INFORMATION ON THE SOURCE OF FUNDS FOR AND AMOUNT OF THE BUYOUT;

8. BASES FOR EARLY TERMINATION OF THE CONTRACT (WHETHER THE EMPLOYEE TERMINATES OR THE UNIVERSITY TERMINATES), INCLUDING MITIGATION OR OFFSET REQUIREMENTS IF THE EMPLOYEE IS EMPLOYED ELSEWHERE DURING THE REMAINING TERM OF THE CONTRACT;

9. CONTRIBUTIONS FROM OUTSIDE DONORS, INCLUDING FOR RETENTION BONUS OR BUYOUTS;

10. CAMP AGREEMENTS;

11. REQUIREMENTS TO DISCLOSE OUTSIDE INCOME, E.G., OTHER SERVICE AGREEMENTS, ENDORSEMENTS, REAL ESTATE INTERESTS WITH PROXIMITY OR CONNECTION TO ATHLETICS OR ATHLETICS FACILITIES;

12. ADDITIONAL BENEFITS SUCH AS CAR, PLANE, COUNTRY CLUB MEMBERSHIPS, ETC.; AND

13. OTHER INFORMATION AS THE UNIVERSITY DEEMS APPROPRIATE OR AS REQUESTED BY OR ON BEHALF OF THE BOARD.

I. EACH UNIVERSITY WILL ESTABLISH UNIVERSITY POLICIES TO GOVERN THE EMPLOYMENT OF HEAD COACHES AND OTHER COACHING STAFF FOR INTERCOLLEGIATE SPORT PROGRAMS OTHER THAN FOOTBALL, BASKETBALL AND BASEBALL. THE UNIVERSITY POLICIES MUST BE CONSISTENT WITH NCAA AND PAC-12 CONFERENCE LEGISLATION AND APPLICABLE BOARD AND UNIVERSITY POLICIES.

J. THE UNIVERSITY WILL REQUIRE EACH ATHLETICS DIRECTOR AND EACH UNIVERSITY HEAD COACH TO PROMPTLY DISCLOSE SUSPECTED VIOLATIONS OF NCAA OR CONFERENCE RULES BY THE ATHLETICS DIRECTOR, COACH OR OTHER EMPLOYEES OR REPRESENTATIVES OF THE UNIVERSITY’S ATHLETICS DEPARTMENT TO THE UNIVERSITY PRESIDENT OR ATHLETICS DIRECTOR AND OTHER AUTHORITIES AS APPROPRIATE.

K. THE UNIVERSITY WILL REQUIRE EACH ATHLETICS DIRECTOR AND
EXECUTIVE SUMMARY

EACH UNIVERSITY HEAD COACH TO COOPERATE FULLY IN INVESTIGATIONS INITIATED BY THE NCAA, CONFERENCE, THE UNIVERSITY, OR LAW ENFORCEMENT.

L. THE UNIVERSITY WILL REQUIRE EACH ATHLETICS DIRECTOR, EACH UNIVERSITY HEAD COACH, AND ALL MEMBERS OF THE ATHLETICS DEPARTMENT STAFF TO COMPLY WITH ALL BOARD AND UNIVERSITY POLICIES, INCLUDING ALL REPORTING AND OTHER REQUIREMENTS UNDER TITLE IX AND OTHER LAWS RELATED TO SEXUAL VIOLENCE, SEXUAL ASSAULT AND RELATED CONDUCT.
A. Applicability

1. This Article J (Multiple-year Appointments of Head Coaches and of Intercollegiate Athletics Directors) shall constitute the policies and procedures to be followed in the appointment and employment of any head coach or intercollegiate athletics director for a fixed period of more than one year but not more than five years.

2. This Article J (Multiple-year Appointments of Head Coaches and of Intercollegiate Athletics Directors) shall apply to any multiple-year appointment of a head coach or intercollegiate athletics director, whether an initial appointment or a reappointment, which occurs after the date of this Article's adoption by the Board.

3. This Article J (Multiple-year Appointments of Head Coaches and of Intercollegiate Athletics Directors) shall not apply to the appointment of a head coach or intercollegiate athletics director for a period of one (1) year or less. In such case, the head coach or intercollegiate athletics director shall be subject to the conditions of service policy referenced in the notice of appointment document received by the head coach or intercollegiate athletics director from the university president.

B. Conditions of Employment

1. All terms and conditions for the employment of a head coach or intercollegiate athletics director for a fixed period of more than one (1) year but not more than five (5) years shall be set forth in a written contract.

2. A head coach or intercollegiate athletics director with a multiple-year appointment shall not be subject to the personnel policies set forth in Articles A through D of this Chapter VI (Personnel Policies) concerning Conditions of Service for Administrators (6-201), Faculty (6-201), Professional (6-301) or Classified Staff (6-401). However, a head coach or intercollegiate athletics director with such an appointment may concurrently hold an appointment to another employment position with the Board which is subject to one of the above-referenced policies.

C. Definitions

In this Article J (Multiple-year Appointments of Head Coaches and of Intercollegiate Athletics Directors), unless the context otherwise requires:

1. "Board" means the Arizona Board of Regents.
2. "Contract" means a written contract between the Board and the head coach or intercollegiate athletics director setting forth in full the terms and conditions of employment of a head coach or intercollegiate athletics director with a multiple-year appointment.

3. "Head Coach" means an employee of the Board who serves at a university as a head coach of an intercollegiate athletic team.

4. "Intercollegiate Athletics Director" means an employee of the Board who serves at a university as the director of intercollegiate athletics.

5. "Multiple-year appointment" means an appointment to a position as a head coach or intercollegiate athletics director for a period of more than one (1) year but not more than five (5) years.

6. "President" or "university president" means the president of the appropriate university or the president’s designated representative.

7. "University" means a university under the jurisdiction and control of the Board.

8. "Year" means a period of twelve months beginning with the effective date of the contract or such other date as specified in the contract.
EXECUTIVE SUMMARY

6-1002Authority—REPEALED

A. Offer of a Multiple-year Appointment

1. A university president may offer a multiple-year appointment to a head coach or intercollegiate athletics director provided that the offer and the appointment are conditioned upon approval by the Board.

2. A university president may offer to renew a multiple-year appointment as head coach or intercollegiate athletics director for a period of not more than five years and may offer to renew an appointment of one year or less as a multiple-year appointment, provided that in each case the offer of renewal and the appointment are conditioned upon approval by the Board.

B. Board Approval

1. Approval by the Board of the offer and the appointment shall constitute Board approval of the contract. In obtaining such approval, the president shall specify:

   a. The period of the appointment;

   b. The compensation to be paid by the university during the period of the appointment, including any provision for performance bonuses;

   c. Additional significant provisions of the contract; and

   d. Such other information as the Board may request.

2. In obtaining Board approval, the information required to be specified may be provided by submitting to the Board a copy of the proposed contract.
A. Effective Date

A multiple-year appointment as head coach or intercollegiate athletics director, whether an initial appointment or a reappointment, shall be effective as of the date set forth in the contract, which date shall be no earlier than the date there exists a fully executed contract, the terms and conditions of which have been approved by the Board.

B. The contract shall contain such terms as are negotiated by the university president and approved by the Board, but each contract shall specify at least the following:

1. The names of the parties and the period of the appointment as head coach or intercollegiate athletics director.

2. The duties and responsibilities of the head coach or intercollegiate athletics director.

3. That compensation beyond the university’s current fiscal year is expressly made contingent upon the availability of funds.

4. Identification of all university-furnished fringe benefits, with the proviso that those benefits which are also made available to all other nonclassified university employees are subject to change from time to time by the legislature, the Board or the university.

5. That the contract contains in full the terms and conditions of employment, that no oral or written communication made prior to or after the execution of the contract that is inconsistent or in conflict with the contract shall become a part of the contract, and that the head coach or intercollegiate athletics director shall not rely on such communications if made. This provision shall not be construed as prohibiting Board approved written amendments to the contract.

6. With respect to the contract of a head coach only, that an annual disclosure of the head coach’s outside sources and amounts of athletically related benefits (to the extent disclosure is required by the NCAA or the applicable athletic conference) shall be made to the university president, the university’s intercollegiate athletics director, and the chair of the Board.

7. A provision permitting the university president to terminate the contract at any time without cause by causing the university, at the president’s discretion, to pay, as liquidated damages in lieu of all
other remedies available to the head coach or intercollegiate athletics director, a specified sum not greater than that which the head coach or intercollegiate athletics director should have received as salary from the university to the end of the then-existing contract term. The provision should indicate the extent to which the sum to be paid by the university will be reduced by the amount of compensation received by the head coach or intercollegiate athletics director if subsequently employed in a position at another institution of higher education or professional major league team during the period covered by the multiple-year appointment with the university. The provision should indicate whether any university-furnished fringe benefits are included in defining “salary” for the purpose of establishing the specified liquidated damages. The provision should also make clear that in the event of an early termination of the contract without cause, or with respect to any claim brought in connection with the contract, the Board will not be liable to the head coach or intercollegiate athletics director for any collateral business opportunities or other benefits associated with the head coaching or intercollegiate athletics director position not provided by the Board or university, except to the extent, if any, that such opportunities or benefits are specifically identified in the contract and

a. Such opportunities or benefits are expressly included in defining “salary” for the purpose of establishing the specified liquidated damages; or

b. Liability for such opportunities or benefits is expressly provided for in the contract.

8. With respect to the contract of a head coach only, a noncompetition clause or restrictive covenant provision sufficient to permit the university at the president’s discretion to enjoin a head coach from being employed in the sport in which the head coach serves at the university by any institution designated in the contract during the period of the multiple-year appointment.

9. With respect to the contract of an intercollegiate athletics director only, a noncompetition clause or restrictive covenant provision sufficient to permit the university at the president’s discretion to enjoin an intercollegiate athletics director from being employed in a comparable administrative capacity by any institution designated in the contract during the period of the multiple-year appointment.

10. The basis on which the coaching contract can be terminated for cause so as to bar the head coach or intercollegiate athletics
director from entitlement to further payment of compensation. Cause shall include but not be limited to:

a. Demonstrated dishonesty.
b. Substantial neglect of properly assigned duties.
c. Personal misconduct that substantially impairs fulfillment of assigned duties and responsibilities by the head coach or intercollegiate athletics director.
d. Substantial incapacity, physical or mental, to perform assigned duties. Due consideration should be given to the nature and duration of the incapacity.
e. Violation of the Code of Conduct or other Board or university policies governing athletics or athletic department employees.
f. Violation of conflict of interest laws.
g. Violation of NCAA or applicable athletic conference regulations.
h. Conviction of a criminal act that constitutes either a felony, a misdemeanor involving moral turpitude, or that otherwise reflects adversely on the person's fitness to serve as a head coach or intercollegiate athletics director.

11. The procedures to be followed in the event of termination for cause, which shall at least provide for:

a. The suspension with pay of a head coach or intercollegiate athletics director if the president determines that the continued presence of the head coach or intercollegiate athletics director on the campus will substantially interfere with the orderly functioning of the university or a department, college or other budgetary unit of the university.
b. Timely notice of the charges asserted against the head coach or intercollegiate athletics director and a reasonable opportunity to defend against the charges.
Guidelines for Communication with Board Regarding
Multiple-Year Coaching Contracts

REPEALED

University Presidents are responsible for providing complete and timely information to the Board Chair and the Board President when negotiating multiple-year coaching contracts for head coaches in the following sports: Football, basketball (men’s and women’s) and baseball.

The University President will use best efforts to advise the Board Chair and the Board President at critical points in the process and before the university provides any information to the press. If the university becomes aware of leaks or false information reported to the press from others outside the university, the President will provide prompt and accurate corrections or updates to the Board Chair and Board President.

The following contract terms are of particular interest to the Board:

1. Salary (for coaching and with all incentives)
2. Contract term (5 years is the maximum)
3. Buyout from previous position (and if applicable, buyout for departing ABOR university coach)—source of funds and amount
4. Early termination provisions (if coach leaves early and if university terminates early—including offset if coach is re-employed at another institution during the remaining term)
5. Contributions from outside donors for salary or buyouts
6. Academic performance incentives (indicate current student athlete achievement as well as the achievement necessary to receive incentive payments)
7. Athletic performance incentives
8. “Clawback” provision requiring return of incentives paid for performance if credit for games or championships are “lost” due to NCAA violations
9. Other incentives (e.g., ticket sales)

10. Camp agreements

11. Potential revenue to coach beyond the coaching contract (other service agreements, endorsement, real estate interests with proximity or connection to the stadium)

12. Available information gathered through due diligence regarding the issues such as NCAA violations, litigation related to employment as a coach, allegations of wrongdoing, or significant press controversies

13. Additional benefits such as car, plane, country club memberships, etc.

14. Any changes from previously approved coaching contracts
**EXECUTIVE SUMMARY**

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<th>Item Name:</th>
<th>Proposed Revisions to ABOR Policies 5-302 “Code of Conduct – Definitions,” 5-303 “Code of Conduct – Prohibited Conduct” and 5-308 “Student Code of Conduct” (First Reading and Immediate Implementation)</th>
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**Issue:**
The board office asks the board to review for first reading and immediate implementation proposed revisions to ABOR policies 5-302 “Code of Conduct-Definitions,” 5-303 “Code of Conduct-Prohibited Conduct” and 5-308 “Student Code of Conduct.” The revisions will update definitions and prohibitions related to the use and possession of weapons and dangerous instruments on campus, and clarify that common personal safety devices such as certain chemical repellants and alarms are not prohibited.

**Enterprise or University Strategic Plan**

- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other: Governance

**Statutory/Policy Requirements**

- A.R.S. § 13-2911, Section D authorizes the board to adopt rules for the maintenance of public order to govern the conduct of students, faculty, staff and all members of the public while on university or board property. The board has adopted Policies 5-301 through 5-307 (Code of Conduct) and 5-308 (Student Code of Conduct) and 5-401 through 5- 404 (Student Disciplinary Procedures) pursuant to this authorization.

- Board Policy 1-202 (Procedures for Adoption of Rules by the Board), Section J provides for immediate adoption of a rule for 90 days pending second reading and a vote for permanent implementation.

**Contact Information:**
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Discussion

- The Code of Conduct and the Student Code of Conduct (collectively “Codes of Conduct”) each include descriptions of prohibited conduct as well as definitions of terms used in those prohibitions.

- The proposed revisions clarify definitions and prohibitions related to the use and possession of weapons and dangerous instruments on campus.

- The Codes of Conduct also prohibit other forms of misconduct, including endangering, threatening, or causing physical harm to any member of the university community or to oneself, or causing reasonable apprehension of such harm. The misconduct described in these provisions violates the Codes of Conduct regardless of whether the misconduct involves a weapon or dangerous instrument.

- The proposed revisions will align the language in the Code of Conduct (5-302 and 5-303) and the Student Code of Conduct (5-308) as follows:
  - Add definitions of “dangerous instrument” to mirror the definition in A.R.S. § 13-105: “Dangerous Instrument’ means anything that under the circumstances in which it is used, attempted to be used or threatened to be used is readily capable of causing death or serious physical injury.”
  - Update the prohibition regarding the possession and use of weapons to clarify that: “The possession or use for self-defense of personal alarms or chemical repellents designed to protect personal safety from physical attacks by other people are not prohibited by this section.”
  - Update the policy definitions of “weapon” to clarify that personal alarms and chemical repellants designed protect personal safety from physical attacks by other people are not included in the definition of “weapon.”
  - Update the Codes of Conduct to prohibit the carrying of torches and other devices with open flames on university property or at university activities.

- The board office will seek board approval at a future date to consolidate the definitions for the Codes of Conduct in a single policy.

Requested Action

As permitted by ABOR Policy 1-202 J, the board office asks the board to review the proposed revisions to ABOR policies 5-302, 5-303 and 5-308 on first reading and approve the proposed revisions for immediate implementation for 90 days, pending approval for continued implementation at the April, 2018 meeting.
EXECUTIVE SUMMARY

5-302 Definitions

In this Code of Conduct, unless the context otherwise provides or requires:

1. "Aggravated violation" means a violation which resulted or foreseeably could have resulted in significant damage to persons or property or which otherwise posed a substantial threat to the stability and continuance of normal university or university-sponsored activities.

2. "Board" means the Arizona Board of Regents.

3. "Cheating" means intentionally using or attempting to use unauthorized materials, information or study aids in any academic exercise.

4. "Controlled substance" means a drug or substance listed in schedules contained in A.R.S. 36-2512 through 36-2516.

5. “DANGEROUS INSTRUMENT” MEANS ANYTHING THAT UNDER THE CIRCUMSTANCES IN WHICH IT IS USED, ATTEMPTED TO BE USED OR THREATENED TO BE USED IS READILY CAPABLE OF CAUSING DEATH OR SERIOUS PHYSICAL INJURY.

6. "Distribution" means sale or exchange for personal profit.

7. "Fabrication" means intentional and unauthorized falsification or invention of any information or citation in an academic exercise.

8. "Faculty" means all employees of the Arizona Board of Regents in teaching, research, or service, whose notice of appointment is as lecturer, instructor, assistant professor, associate professor, professor or otherwise designated as faculty on the notice of appointment. Graduate students who serve as assistants, associates or otherwise, are academic appointees as well as graduate students but are not members of the faculty.

9. "Group" means a number of persons who are associated with each other and who have not complied with university requirements for registration as an organization.

10. "Illegal drug" means any drug whose use, possession or distribution is prohibited or restricted by provisions of Title 13 of the Arizona Revised Statutes, and includes, without limitation, narcotic drugs, dangerous drugs, marijuana and peyote.
"Organization" means a number of persons who are associated with each other and who have complied with university requirements for registration.

"Plagiarism" means intentionally or knowingly representing the words or ideas of another as one's own in any academic exercise.

"President" means the president of the university or a designee.

"Reckless" means conduct which one should reasonably be expected to know would create a substantial risk of harm to persons or property or which would otherwise be likely to result in interference with university or university-sponsored activities.

"Student" means any person registered or enrolled in one or more classes except a faculty member or full-time employee who takes any course as a privilege of employment. Graduate students who serve as assistants, associates or otherwise, and all other students employed part-time are classified as students rather than faculty or other university employee.

"University" means the appropriate university involved: The University of Arizona, Arizona State University, Northern Arizona University, and any other university governed by the Arizona Board of Regents.

"University campus" means all land, buildings, facilities and other property owned, used or controlled by the university.

"University community" means university, students, administrative and staff personnel, members of the faculty and all other university employees.

"University property" means all real and personal property owned by the university or owned by the Arizona Board of Regents and used by the university and includes all such property in the possession of or subject to the control of the university.

"University-sponsored activity" means any activity on or off campus which is initiated, aided, authorized or supervised by the university.

"Weapon" means any object or substance designed to inflict a wound, cause injury, or incapacitate, including, without limitation, all firearms, pellet guns, switchblade knives, knives with blades five or more inches in length, and chemicals such as "mace" or tear gas, but excluding normally available over-the-counter self-defense chemical repellents.
“WEAPON” REFERS TO ANY OBJECT OR SUBSTANCE DESIGNED TO (OR WHICH COULD BE REASONABLY EXPECTED TO) INFlict A WOUND, CAUSE INJURY, INCAPACITATE, OR CAUSE DEATH, INCLUDING, WITHOUT LIMITATION, ALL FIREARMS (LOADED AND UNLOADED, SIMULATED AND REAL), DEVICES DESIGNED TO EXPEL A PROJECTILE (SUCH AS BB GUNS, AIR GUNS, PELLET GUNS, AND POTATO GUNS), ELECTRONIC CONTROL DEVICES SUCH AS TASERS OR STUN GUNS, SWORDS, KNIVES WITH BLADES OF 5 INCHES OR LONGER, MARTIAL ARTS WEAPONS, BOWS AND ARROWS, AND CHEMICALS SUCH AS TEAR GAS, BUT PERSONAL ALARMS AND CHEMICAL REPPELLANTS DESIGNED TO PROTECT PERSONAL SAFETY FROM PHYSICAL ATTACKS BY OTHER PEOPLE ARE NOT INCLUDED IN THE DEFINITION OF “WEAPON.”

5-303 Prohibited Conduct

The following misconduct is subject to disciplinary action:

1. All forms of student academic dishonesty, including cheating, fabrication, facilitating academic dishonesty and plagiarism.

2. Intentionally or recklessly causing physical harm to any person on the university campus or at a university-sponsored activity, or intentionally or recklessly causing reasonable apprehension of such harm.

3. Unauthorized use, possession or storage of any weapon, DANGEROUS INSTRUMENT, explosive device, TORCH, DEVICE WITH OPEN FLAMES or fireworks on the university campus or at a university-sponsored activity except that subject to A.R.S. § 12-781 and other applicable law, a person may lawfully transport or lawfully store a firearm that is both 1) in the person's locked and privately owned motor vehicle or in a locked compartment on the person’s privately owned motorcycle, and 2) not visible from the outside of the motor vehicle or motorcycle, although the board or a university may require that vehicles transporting or storing firearms be parked in alternative parking as described in A.R.S. § 12-781. THE POSSESSION OR USE FOR SELF-DEFENSE OF PERSONAL ALARMS OR CHEMICAL REPPELLENTS DESIGNED TO PROTECT PERSONAL SAFETY FROM PHYSICAL ATTACKS BY OTHER PEOPLE ARE NOT PROHIBITED BY THIS SECTION.
EXECUTIVE SUMMARY

4. Initiating or causing to be initiated any intentionally false report, warning or threat of fire, explosion or other emergency on the university campus or at a university-sponsored activity.

5. Intentionally or recklessly interfering with normal university or university-sponsored activities, including, but not limited to, studying, teaching, research, university administration, or fire, police or emergency services.

6. Knowingly violating the terms of any disciplinary sanction imposed for an earlier violation of this Code of Conduct.

7. Unauthorized use, possession or distribution or possession for purposes of distribution of any controlled substance or illegal drug on the university campus or at a university-sponsored activity.

8. Intentionally or recklessly misusing or damaging fire safety equipment.

9. Intentionally furnishing false information, including false identification, to the university.

10. Forgery, unauthorized alteration or unauthorized use of any university document or instrument of identification.

11. Intentionally and substantially interfering with the freedom of expression of others on the university campus or at a university-sponsored activity.

12. Theft or misappropriation of property or of services on the university campus or at a university sponsored activity; known possession of stolen property on the university campus or at a university-sponsored activity.

13. Intentionally or recklessly destroying, damaging or misappropriating university property or the property of others on the university campus or at a university-sponsored activity.

14. Failure to comply with the directions of university officials, including campus police officers, acting in good faith and in the performance of their duties.

15. Failure to comply with other published rules and regulations of conduct that may from time to time be adopted by the Board or the university, including, without limitation, restrictions on the sale or possession of alcoholic beverage on the university campus or at university-sponsored activities.
16. Unauthorized presence in or use of the university campus, facilities or property.

5-308 Student Code of Conduct

A. Jurisdiction and Authority

1. Under Arizona law, the Arizona Board of Regents is responsible for the control and supervision of the state universities and their properties and activities. The Board is authorized to enact ordinances for the governance of the universities and the maintenance of public order upon all property under its jurisdiction. The Board has promulgated this Student Code of Conduct in order to meet its responsibilities under Arizona law. Enforcement of this Student Code of Conduct is subject to applicable law, including constitutional protections for speech, association and the press.

2. The Presidents are authorized to enforce the Student Code of Conduct.

3. Actions under the Student Code of Conduct are administrative and not criminal in nature. Therefore, a student can be found responsible under the Student Code of Conduct even if the underlying conduct would not also constitute a criminal offense, and even if a prosecutor has determined not to prosecute as a criminal matter or the student has been found not guilty in a criminal proceeding.

4. For purposes of interpreting words and phrases not otherwise defined in the Student Code of Conduct, every day and common usages and understanding shall apply, and external sources may be consulted for guidance.

5. Violators may be accountable to both civil and criminal authorities and to the university for acts of misconduct that constitute violations of the Student Code of Conduct. At the discretion of university officials, disciplinary action at the university may proceed before, during, or after other proceedings. Sanctions may be imposed for acts of misconduct that occur on university property or at any university-sponsored activity. As further prescribed in these rules, off-campus conduct may also be subject to discipline. With respect to student organizations, and their members, university jurisdiction extends to premises used or controlled by the organizations on or off campus.
B. Philosophy

1. The aim of education is the intellectual, personal, social, and ethical development of the individual. The educational process is ideally conducted in an environment that encourages reasoned discourse, intellectual honesty, openness to constructive change, and respect for the rights of all individuals. Self-discipline and a respect for the rights of others in the university community are necessary for the fulfillment of such goals. The Student Code of Conduct is designed to promote this environment at each of the state universities.

2. The Student Code of Conduct sets forth the standards of conduct expected of students who choose to join the university community.

3. Students who violate these standards will be subject to disciplinary sanctions in order to promote their own personal development, to protect the university community, and to maintain order and stability on campus.

C. Scope

1. The adoption of the Student Code of Conduct does not prohibit any university or the Board from adopting or maintaining additional rules to govern the conduct of students. Allegations of misconduct brought under the Student Code of Conduct may be combined with allegations arising under other university or Board rules.

2. Each university may adopt policies and procedures for reviewing allegations of academic dishonesty.

3. The Student Code of Conduct applies to individual students and to student organizations.

4. Students and student organizations are also subject to the following rules:

   a. Rules adopted by each university to govern the control of vehicles and other modes of transportation on university property

   b. Rules relating to student classroom conduct, academic dishonesty, and academic eligibility, performance and evaluation

   c. Rules governing student housing

   d. Rules governing the maintenance of public order
EXECUTIVE SUMMARY

e. Rules governing the conduct of student athletes

f. Rules governing the use of university communication and computing resources, and

g. Such other rules as may be adopted by the Board, or the universities in furtherance of university and educational goals.

D. Student Organizations

1. Student organizations may be charged with violations of the Student Code of Conduct to the same extent as students.

2. Student organizations, as well as their members and other students, may also be held collectively and/or individually responsible for violations including but not limited to misconduct that occurs: (a) on university property; (b) on premises used or controlled by the organization; (c) at university-sponsored activities; or (d) in violation of university hazing policies.

3. The officers or leaders of a student organization may be held collectively and/or individually responsible when such violations are committed by persons associated with the organization who have received consent or encouragement from the organization's officers or leaders or if those officers or leaders knew or should have known that such violations were being or would be committed.

4. The officers or leaders of a student organization may be directed to take action designed to prevent or end such violations by the organization or by any persons associated with the organization. Failure to comply with a directive may be considered a violation of the Student Code of Conduct, both by the officers or leaders of the organization and by the organization.

E. Definitions

1. "Advisor" means an individual selected by the student to advise him/her. The advisor may be a faculty or staff member, student, attorney, or other representative of the student.

2. "Board" means the Arizona Board of Regents.

3. "Complainant" means any individual who initiates the referral procedures set forth in the student disciplinary procedures.
4. “Consent” in the context of sexual activity means informed and freely given words or actions that indicate a willingness to participate in mutually agreed upon sexual activity.

Consent may not be inferred from: 1) silence, passivity or lack of resistance, 2) a current or previous dating or sexual relationship, 3) acceptance or provision of gifts, meals, drinks, or other items or 4) previous consent to sexual activity.

Consent may be withdrawn during sexual activity. Consent to one form of consensual sexual activity does not imply consent to any other form of sexual activity.

Consent may not be obtained through physical force, violence, duress, intimidation, coercion, or an express or implied threat of injury.

Consent may never be given by a person who is: incapacitated (by drugs, alcohol or otherwise), unconscious, asleep, or otherwise physically or mentally unable to make informed, rational judgments. The use of alcohol or drugs does not diminish one’s responsibility to obtain consent and does not excuse conduct that violates this Student Code of Conduct.

Consent cannot be given by someone who, by virtue of age, circumstances or other factors, is deemed by law to be incapable of giving consent.

5. "Controlled substance" means a drug or substance whose use, possession, or distribution is controlled under state or federal law.

6. "Day" means university business day, not including Saturday, Sunday, any officially recognized university employee holiday, or any day the university is closed.

7. “DANGEROUS INSTRUMENT" MEANS ANYTHING THAT UNDER THE CIRCUMSTANCES IN WHICH IT IS USED, ATTEMPTED TO BE USED OR THREATENED TO BE USED IS READILY CAPABLE OF CAUSING DEATH OR SERIOUS PHYSICAL INJURY.

78. "Dean of Students" or "Dean" means the administrative officer responsible for administration of student conduct bearing this or similar title and includes his/her designee.

89. "Distribution" means sale, exchange, transfer, delivery, or gift.
910. "Endanger" means to bring into danger or peril.

1011. "Explosive" refers to dynamite, nitroglycerin, black powder, or other explosive material or bomb including plastic explosives; any breakable container that contains a flammable liquid with a flash point of 150°F or less and has a wick or similar device capable of being ignited.

1112. "Fabrication" means falsification or creation of false data or information.

1213. "Fireworks" refers to any fireworks, fire crackers, sparklers, rockets, and any propellant-activated device whose intended purpose is primarily for illumination.

1314. "Gambling" shall have the same meaning as defined by Arizona law.

1415. "Hazing" means either (a) any intentional, knowing or reckless act committed by a student, whether individually, or in concert with other persons, against another person, in connection with an initiation into, an affiliation with, or the maintenance of membership in any organization that is affiliated with a university that contributes to a substantial risk of potential physical injury, mental harm or degradation, or causes physical injury, mental harm or personal degradation; or (b) any act otherwise defined as hazing under applicable law. Hazing includes, but is not limited to, paddling in any form, physical or psychological shocks, late work sessions that interfere with scholastic activities, advocating or promoting alcohol or substance abuse, tests of endurance, submission of members or prospective members to potentially dangerous or hazardous circumstances or activities which have a foreseeable potential for resulting in personal injury, or any activity which by its nature may have a potential to cause mental distress, panic, human degradation, or embarrassment.

1516. "Illegal drug" means any drug whose manufacturing, use, possession, or distribution is prohibited or restricted by state or federal law.

1617. "President" means the president of the university or his/her designee.

1718. "Sexual misconduct" means one or more of the following:
EXECUTIVE SUMMARY

a. Sexual violence and other non-consensual sexual contact – actual or attempted physical sexual acts perpetrated against a person by force or without consent; or

b. Sexual harassment – unwelcome conduct of a sexual nature that is sufficiently severe or pervasive as to create an intimidating, hostile, or offensive environment; or

c. Other unwanted or non-consensual sexual conduct including but not limited to indecent exposure, sexual exploitation or voyeurism, or non-consensual photographing or audio-recording or video-recording of another in a state of full or partial undress or while engaged in sexual activity, or publishing or disseminating such materials.

1819. "Stalking" means engaging in a course of conduct that is directed toward another person if that conduct would cause a reasonable person to suffer substantial emotional distress or to fear for the person’s safety or the safety of that person’s immediate family member or close acquaintance, and that person in fact fears for his/her safety or the safety of that person’s immediate family member or close acquaintance.

1920. "Student" for purposes of this Student Code of Conduct means any person who is currently admitted or registered or who participates in a university function, such as orientation, in anticipation of enrollment, or who was enrolled in a previous term or who is or was registered for a future term, including a faculty member or other employee so admitted, registered, or enrolled.

2021. "Student organization" means an organization or group which has been registered or has received recognition according to university policies and procedures or is affiliated with a university.


2223. “Title IX Coordinator” means the individual designated by each University to oversee compliance with the nondiscrimination and anti-harassment provisions of the Student Code of Conduct.

2324. "University" means either the University of Arizona, Arizona State University, Northern Arizona University, or any other university campus or division governed by the Board.

2425. "University community" means all university students, employees, and guests.
2526. "University property" means all resources, including but not limited to real and personal property, money, and intellectual property owned, operated, leased to, contracted by, controlled, or in the possession of a university or the Board.

2627. "University-sponsored activity" means any activity on or off campus authorized, supervised, or controlled by a university.

2728. "Vice President for Student Affairs" means the administrative officer bearing such title, similar title, or his/her designee.

2829. “Weapon” refers to any object or substance designed to (or which could be reasonably expected to) inflict a wound, cause injury, incapacitate, or cause death, including, without limitation, all firearms (loaded and unloaded, simulated and real), devices designed to expel a projectile (such as bb guns, air guns, pellet guns, and potato guns), electronic control devices such as tasers or stun guns, swords, knives with blades of 5 inches or longer, martial arts weapons, bows and arrows, and chemicals such as mace, tear gas, or oleoresin capsicum, but excluding normally available over-the-counter self defense chemical repellents. PERSONAL ALARMS AND CHEMICAL REPELLENTS DESIGNED TO PROTECT PERSONAL SAFETY FROM PHYSICAL ATTACKS BY OTHER PEOPLE ARE NOT INCLUDED IN THE DEFINITION OF “WEAPON.”

F. Prohibited Conduct

1. All forms of student academic dishonesty, including but not limited to cheating, fabrication, facilitating academic dishonesty, and plagiarism.

2. Endangering, threatening, or causing physical harm to any member of the university community or to oneself, causing reasonable apprehension of such harm or engaging in conduct or communications that a reasonable person would interpret as a serious expression of intent to harm.

3. Violating the terms of any disciplinary sanction imposed for an earlier violation of the Student Code of Conduct or other Board or university rules.

4. Violation of, or attempt to violate, other rules that may be adopted by the Board or by the university.
5. Impersonation of another, using another person’s identity, or furnishing materially false information, including manufacturing or possession of false identification.

6. Initiating, causing, or contributing to any false report, warning, or threat of fire, explosion, or other emergency.

7. Failure to comply with the directions of university officials or agents, including law enforcement or security officers, acting in the good faith performance of their duties. This section is not intended to prohibit the lawful assertion of an individual’s Fifth Amendment right against self-incrimination.

8. Forgery, falsification, fabrication, unauthorized alteration, or misuse of campus documents, records, or identification, including, but not limited to, electronic software and records.

9. Unauthorized presence in or unauthorized use of university property, resources, or facilities.

10. Unauthorized access to, disclosure of, or use of any university document, record, or identification, including but not limited to, electronic software, data, and records.

11. Interfering with or disrupting university or university-sponsored activities, including but not limited to classroom related activities, studying, teaching, research, intellectual or creative endeavor, administration, service or the provision of communication, computing or emergency services.

12. Misrepresenting oneself or an organization as an agent of a university.

13. Possession of property the student knows or has reason to believe may be stolen or misappropriated.

14. Misuse, theft, misappropriation, destruction, damage, or unauthorized use, access, or reproduction of property, data, records, equipment or services belonging to the university or belonging to another person or entity.

15. Violation of the Board or university rules or applicable laws governing alcohol, including consumption, distribution, unauthorized sale, or possession of alcoholic beverages.
EXECUTIVE SUMMARY

16. Unauthorized use, sale, possession, or distribution of any controlled substance or illegal drug or possession of drug paraphernalia that would violate the law.

17. Off-campus conduct that a reasonable person would believe may present a risk or danger to the health, safety or security of the Board or university community or to the safety or security of the Board or university property.

18. Gambling as prohibited by applicable law, university policy, or associated with any university event.

19. Engaging in, supporting, promoting, or sponsoring hazing or violating the Board or university rules governing hazing.

20. Stalking or engaging in repeated or significant behavior toward another individual, whether in person, in writing, or through electronic means, after having been asked to stop, or doing so to such a degree that a reasonable person, subject to such contact, would regard the contact as unwanted.

21. Engaging in discriminatory activities, including harassment and retaliation, as prohibited by applicable law or university policy.

22. Interfering with any university disciplinary process, including but not limited to tampering with physical evidence or inducing a witness to provide false information or to withhold information.

23. Sexual misconduct.

24. Use, possession, display, or storage of any weapon, dangerous instrument, explosive material or device, TORCH, DEVICE WITH OPEN FLAMES, fireworks, bomb-making materials or dangerous chemical on university property, at a university sponsored activity or in violation of law or university policy, is not permitted unless one of the following exceptions apply:

a. Subject to A.R.S. §12-781 and other applicable law, a person may lawfully transport or lawfully store a firearm that is both 1) in the person's locked and privately owned motor vehicle or in a locked compartment on the person's privately owned motorcycle, and 2) not visible from the outside of the motor vehicle or motorcycle, although the board or a university may require that vehicles transporting or storing firearms be parked in alternative parking as described in A.R.S. §12-781, or
EXECUTIVE SUMMARY

b. Use, possession, display or storage is specifically authorized by an Arizona or federal statute governing law enforcement officers or in writing by university officials with the authority to grant such permission, or

c. Universities may permit students to possess certain potentially dangerous instruments, and limited quantities of chemicals or other dangerous materials if they are used for academic and other legitimate purposes, if the presence of these items does not present an undue risk to the campus or community, and if the proposed use, possession, display or storage of these items has been expressly approved in writing by an authorized university representative.

d. THE POSSESSION OR USE FOR SELF-DEFENSE OF PERSONAL ALARMS OR CHEMICAL REPELLENTS DESIGNED TO PROTECT PERSONAL SAFETY FROM PHYSICAL ATTACKS BY OTHER PEOPLE ARE NOT PROHIBITED BY THIS SECTION.

25. Photographing, videotaping, filming, digitally recording, or by any other means secretly viewing, with or without a device, another person without that person’s consent in any location where the person has a reasonable expectation of privacy, or in a manner that violates a reasonable expectation of privacy. This section does not apply to lawful security or surveillance filming or recording that is authorized by law enforcement or authorized university officials.

26. Commission of any offense prohibited by state or federal law or local ordinance.

Any attempt to commit or conceal an act of misconduct prohibited by these rules is subject to sanctions to the same extent as completed acts.

G. Sanctions

1. The Dean of Students may impose one or more of the following sanctions for any violation of the Student Code of Conduct:

   a. Expulsion: Permanent separation of the student from the university. An indication of expulsion may appear on the student’s transcript. The expelled student will not participate in any university-sponsored activity and will be barred from university property. An expelled student will be ineligible to attend Arizona State University, Northern Arizona University, or the University of Arizona or any other university campus or division governed by the Board unless approved
EXECUTIVE SUMMARY

according to paragraph G.2(a) and (b).

b. **Suspension**: Temporary separation of the student from the university for a specified period of time, or until specific conditions, if imposed, have been met. An indication of suspension may appear on the student’s transcript. Except where prior approval has been granted by the Dean of Students, a suspended student will not participate in any university-sponsored activity and will be barred from the university campus. A suspended student will be ineligible to attend Arizona State University, Northern Arizona University, or the University of Arizona or any other university campus or division governed by the Board until the conditions of suspension have been met.

c. **Degree Revocation**: A university may revoke a degree, certificate or other academic recognition previously awarded by that university to a student. Notice of any degree revocation will appear on the student’s transcript. If the university previously communicated the award of a degree, certificate or other academic recognition to a third party, it may provide notice to that entity of the revocation.

d. **Probation**: Removal of the student from good disciplinary standing. Additional restrictions or conditions may also be imposed. Probation will last for a stated period of time and until specific conditions, if imposed, have been met. Any violation of these rules, the conditions of probation, or other university rules committed during the probationary period will subject the student to further discipline, including suspension or expulsion.

e. **Warning**: A written statement advising the student that a violation of the Student Code of Conduct has been committed and that further misconduct may result in more severe disciplinary action.

f. **Administrative Hold**: A status documented in the registrar’s official file which may preclude the student from registering, from receiving transcripts, or from graduating until clearance has been received from the Dean of Students in accordance with university rules.

g. **Restricted Access to University Property**: A student’s access to university property, including but not limited to research, communication and computing resources, may be
restricted for a specified period of time or until certain conditions are met.

h. Organizational Sanctions: Sanctions for organizational misconduct may include revocation of the use of university property or privileges for a period of time, revocation or denial of recognition or registration, or suspension of social or intramural activities or events, as well as other appropriate sanctions permitted under the Student Code of Conduct or other rules of the university.

i. Educational Response: The Dean of Students may require a student to complete an educational program at the student’s expense, write a paper or letter of apology, engage in community service, or assign other educational responses to address the student’s conduct.

j. Interim Action: The Dean of Students may impose restrictions on a student or suspend a student for an interim period prior to resolution of the disciplinary proceeding.

k. Academic Conduct: Each university may adopt procedures regarding student conduct that takes place while participating in academic activities. These procedures may outline sanctions including but not limited to lower-level warnings, administrative drop from a particular class, or other sanctions as appropriate.

l. Restitution: Payment to the university or to other persons, groups, or organizations for damage to property or costs incurred as a result of the violation of this Student Code of Conduct.

m. Notation on Transcript.

n. Other sanctions permissible under existing university rules.

2. A student who has been suspended or expelled from one university will be ineligible for admission, enrollment, re-enrollment or re-admission to Arizona State University, Northern Arizona University, or the University of Arizona or any other university campus or division governed by the Board except as follows:

a. Each university may adopt rules and procedures to consider a request for readmission from a student who has been previously suspended or expelled, which shall include criteria to be used in evaluating a request for readmission,
and shall provide that a decision to readmit must be approved by the Vice President for Student Affairs at the admitting university.

b. Except as set forth in Section G.2.a, a student who has been suspended or expelled at one university will not be eligible for admission or re-enrollment at another university governed by the Board until the student has met the conditions for reinstatement at the university which imposed the suspension or expulsion. The conditions for reinstatement may be waived in whole or in part at the discretion of the Vice President for Student Affairs at the admitting university.

H. Determining What Sanction to Impose

1. Mitigating and aggravating factors may be considered. Factors to be considered in mitigation or aggravation include the individual's prior disciplinary record, the nature of the offense, the severity of any damage, injury, or harm resulting from the violation, the payment of restitution to the university or to any victims, or any other factors deemed appropriate under the circumstances, including but not limited to the individual’s participation in an approved counseling program.

2. Repeated violations of the Student Code of Conduct may result in the imposition of progressively more severe sanctions, although any sanction may be imposed as appropriate under the circumstances.

I. Enforcement

1. Student sanctions shall be enforced through use of disciplinary procedures adopted by each university that are consistent with Board Policies and applicable laws and regulations

2. Sanctions for organizational misconduct shall be enforced through the use of the disciplinary procedures adopted by each university, consistent with Board Policies and applicable laws and regulations

J. Miscellaneous provisions

1. The description of prohibited conduct shall be interpreted as broadly as consistent with applicable law.

2. The Presidents are authorized by the Board to take other actions or to adopt other rules to protect university property and the safety and well-being of members of the university community and the public.
Item Name: Multiple-year Employment Contract for Vice President for Intercollegiate Athletics at Northern Arizona University (NAU)

☒ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: Northern Arizona University asks the board to approve a five-year employment contract for Michael Marlow as Vice President for Intercollegiate Athletics (Athletic Director) at Northern Arizona University.

Enterprise or University Strategic Plan
☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☒ Other: Multiple-year employment contract

Statutory/Policy Requirements

ABOR Policy 6-910 requires board approval of multiple-year employment contracts for intercollegiate athletic directors.

ABOR Policies 6-1101 through 6-1103 provide the requirements for multiple-year contracts with athletic directors.

Background/History of Previous Board Action

- Northern Arizona University seeks authorization to offer a multiple-year employment contract to Michael Marlow as Vice President for Intercollegiate Athletics (Athletic Director) for a period of five years commencing on January 15, 2018.

Contact Information:
Michelle Parker, General Counsel, Northern Arizona University (928) 523-6517, Michelle.Parker@nau.edu
● Marlow's proposed base salary is $200,000 per annum.

● Strong university, community, and donor support exists for the hire of Marlow.

● As background, Washington State University (WSU) appointed Marlow as the Deputy Director of Athletics in 2010. Prior to joining WSU, Marlow served as the Senior Associate Athletics Director for External Affairs at University of Oregon from 1998 to 2010. He was also the Assistant Athletic Director for the University of Idaho and spent time in the Big Sky as the Assistant Director for the Grizzly Athletic Association at University of Montana. His key career accomplishments include:

Washington State University
- Hired head football, basketball, and baseball coaches.
- Increased fundraising (major and annual) by more than 60 percent from 2011 until 2017.
- Negotiated and secured a multi-media rights partnership.
- Led development efforts to secure funding for facility and facility improvements.

University of Oregon
- Oversight of sales team that produced 61 consecutive football sell-outs.
- Produced a 65 percent increase in the number of donors contributing $10,000 or more.
- Led external team during the expansion of Autzen Stadium resulting in increased ticket sales, sale of sky suites, and $65 million raised for stadium expansion.
- Managed Campaign for Intercollegiate Athletics with $143 million raised by 2010.

● Marlow is a proven leader in fundraising, student engagement, marketing, and student-athlete development. Marlow has also demonstrated success in the recruitment and retention of quality coaches and staff. He has a particular focus on enhancing the student-athlete experience both physically and academically.

Discussion

Major terms of the contract are as follows:

● Term: Five years commencing on January 15, 2018
● Base Salary: $200,000
EXECUTIVE SUMMARY

- Miscellaneous Terms:
  - Moving reimbursement per Northern Arizona University policy.
  - Benefits and employee-related benefits provided to university employees.
  - Use of a courtesy automobile provided by an athletics donor.
  - Tickets to university events for family and guests.
  - Travel funding for post-season sporting events.

- Incentives:
  - Academic Performance:
    - Grade Point Average (GPA):
      - Marlow will receive one week’s salary for department cumulative GPA of 3.00 up to 3.2.
      - Marlow will receive two weeks’ salary for department cumulative GPA of 3.2 up to 3.49.
      - Marlow will receive three weeks’ salary for department cumulative GPA of 3.5 and above.
    - Academic Progress Rate (APR):
      - Marlow will receive one week’s salary for an annual APR of 960 up to 969.
      - Marlow will receive two weeks’ salary for an annual APR of 970 up to 979.
      - Marlow will receive three weeks’ salary for an annual APR of 980 and above.
  - Athletic Performance:
    - **Big Sky Conference President's Cup Bonus**: Marlow will receive two weeks’ salary if tie for first place or first place win.
    - **Men's or Women's Basketball Team Success**: Marlow will receive one week’s salary for each team’s participation in an NCAA or NIT/WNIT tournament and two weeks’ salary for each team that participates in an NCAA or NIT/WNIT post-season tournament round of sixteen games. Marlow will receive four weeks’ salary for each team that wins a national championship.
• **Football Team Success:**
  - Marlow will receive two weeks’ salary for a tie or a top three finish in the Big Sky Conference.
  - Marlow will receive two weeks’ salary if the team appears in a Football Championship Subdivision playoff game.
  - Marlow will receive four weeks’ salary if the team wins the Football Championship Subdivision playoff.

• **Other Sports (Men’s or Women’s Tennis, Volleyball, Soccer, Swimming and Diving, Men’s and Women’s Indoor and Outdoor Track and Field, Cross Country and Golf):**
  - Marlow will receive one week’s salary for a Big Sky Conference or Western Athletic Conference Championship in each of the sports listed above.
  - Marlow will receive two weeks’ salary for each NCAA top 5 team finish in the sports listed above.
  - Marlow will receive four weeks’ salary for each NCAA team championship in the sports listed above.

• **Fundraising:** Marlow will receive two weeks’ salary if the value of total fundraising from Major Gifts (pledges exceeding $25,000, including endowments) exceeds $500,000 during a single academic year.

• Separation terms:
  - **Termination without cause:**
    - If terminated without cause by the university, NAU pays 50% of the amount of base salary remaining on the contract.
    - If President departs the university prior to the end of contract, the contract may be terminated by new University President.
    - Liquidated damages payment to Marlow is mitigated and offset dollar-for-dollar if Marlow obtains other employment as a Vice President, Athletic Director, Associate Athletic Director, or similar position.
  - **Termination with cause:**
    - If terminated with cause, the university agrees to pay only
the payment of salary and other compensation earned as of the termination date.

- If the cause is a material violation of NCAA or Conference rules, Marlow will pay NAU its actual damages up to $100,000 and forfeits/repays any bonuses received for Academic and/or Athletic Performance affected by any sanctions

  - Voluntary termination by VP for Intercollegiate Athletics:
    - Marlow may terminate contract prior to completion of contract, but will be subject to liquidated damages of 50% of the base salary amount remaining on contract.
    - If President vacates the position, Marlow will not be subjected to the liquidated damages clause.

  - Covenant not to Compete:
    - Marlow is not to seek or accept any other positions absent prior notice to NAU’s President. If Marlow accepts a competing Big Sky position, NAU may seek all available remedies, including injunctive relief and monetary damages.

Requested Action

Northern Arizona University asks the board to approve the terms and authorize Northern Arizona University to enter into a multi-year employment (five years) with Michael Marlow as Vice President for Intercollegiate Athletics and Athletic Director at Northern Arizona University, as described in this executive summary.
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EXECUTIVE SUMMARY

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**Issue:** The University of Arizona asks the board to approve a Multiple-year Employment Contract for Kevin Sumlin to serve as Head Football Coach at the University of Arizona.

**Enterprise or University Strategic Plan**
- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other: Multiple-year Employment Contract

**Statutory/Policy Requirements**

ABOR Policy 6-910 and 6-1001 through 6-1003 governs and requires Board approval of multiple-year employment contracts for head football coaches.

**Background/History**

- The University of Arizona (UA) seeks approval to offer a Multiple-year Employment Contract to Kevin Sumlin (“Sumlin”) as Head Coach of its Football Team for a five-year term.

- Sumlin is a highly qualified coach with an impressive background. Most recently, Sumlin was the head coach at Texas A&M, serving in that position for six years with a win-loss record of 51-26. Prior to his tenure at Texas A&M, Sumlin served as head football coach for the University of Houston for four seasons. He spent the previous almost 20 years in various assistant coaching positions at Washington State University, University of Wyoming, University of Minnesota, Purdue University, and University of Oklahoma.

**Contact Information:**
David Heeke, Vice President and Director of Athletics, (520) 621-4622, dheeke@arizona.edu
Laura Todd Johnson, Senior Vice President for Legal Affairs and General Counsel (UA), (520) 621-5150, LTJ@email.arizona.edu
EXECUTIVE SUMMARY

- As an accomplished coach and excellent recruiter, Sumlin shares UA's vision and values. Sumlin's experience and reputation align well with UA's goals and vision for the future of its football program. His commitment to academics and to community service are a testament to his character. His leadership will bring an exciting new era of football and a positive culture for our student athletes, fans, and staff. In his own words, "[w]e will represent Arizona with class and pride."

- Based on due diligence, UA is not aware of any issues negatively affecting Sumlin's employability, including but not limited to NCAA violations, claims or litigation related to his prior employment as an assistant coach, allegations of wrongdoing, or significant press controversies.

Discussion

Contract Length, Salary, and Salary Adjustments

- The contract term will be five years, ending in January 2023.

- Sumlin's annual salary will be $2,000,000 for the first two years of the contract, and will increase to $3,500,000 for the remaining three years of the term. These amounts include compensation for program and peripheral duties associated with the UA football program.

- Sumlin's salary will be paid entirely from revenue generated by the Athletics Department. No part of his salary will be paid from appropriated funds or donor contributions.

Annual Performance Incentives

- Sumlin may earn annual performance incentives as set forth below if the Team meets designated academic and athletic performance thresholds. Payments are for the highest-ranked achievement in each category and are not cumulative to any lower-ranked achievements unless specifically otherwise noted below. If Sumlin were to earn the maximum performance bonuses allowed, he would receive annual payments of $2,025,000.

I. Academic Performance Bonuses

A. MYAPR

Sumlin may receive an annual one-time payment based on the Multi-Year Academic Progress Rate (MYAPR), with the amount to be determined as follows:
EXECUTIVE SUMMARY

**MYAPR** | **BONUS**
--- | ---
971 or above (no rounding)* | $25,000
1000 (no rounding) | $50,000

* MYAPR bonus methodology: This threshold was derived by averaging the UA MYAPR for all sports with the MYAPR of all NCAA Football Bowl Subdivision teams.

The MYAPR for the Football Team was 955 for the 2015-16 academic year.

**B. CGPA**

Sumlin may receive an annual one-time payment based on Cumulative Grade Point Average (CGPA) achievements, with the amount to be determined as follows:

| CGPA | BONUS   |
--- | ------- |
Equal to or exceeds 2.60 | $50,000 |
Equal to or exceeds 2.75 | $125,000 |
Equal to or exceeds 2.90 | $175,000 |
Equal to or exceeds 3.00 | $200,000 |

The football team’s CGPA for 2016-17 academic year was 2.46.

**II. Athletic Performance Bonuses**

Sumlin may receive additional one-time compensation on an annual basis for the following athletic performance team achievements in a given year:

**A.** Pacific-12 Conference Southern Division Champion | $100,000

**B.** Wins Pacific-12 Conference Championship game | $200,000

**C. NCAA Post-Season**

Participation in non-major, non-College Football Playoff (“CFP”) Bowl game | $25,000

Participation in major non-CFP Bowl game | $100,000


EXECUTIVE SUMMARY

(Rose, Sugar, Cotton, Orange, Fiesta, Peach)
Winning major non-CFP Bowl game $200,000
(Rose, Sugar, Cotton, Orange, Fiesta, Peach)
Participation in CFP semi-final game $150,000
Participation in CFP Championship game $500,000
Winning CFP Championship game $1,000,000

D. Final AP Ranking

Within the Top Ten $75,000
11th through 15th $50,000
16th through 25th $25,000

E. Regular Season Victories
(excludes exhibition games)

9 or more $125,000
10 or more $150,000
11 or more $250,000
12 or more $350,000

F. Recognition as National Coach of the Year

Pac-12 Conference Coach of the Year $50,000
AP National Coach of the Year $100,000

Miscellaneous Provisions

- Sumlin will receive all employee-related benefits normally available to UA employees. He will receive additional benefits, including tickets to UA sporting events, a country club membership, use of one automobile, use of a non-commercial airplane, and the right to use UA facilities for operation of private youth football camps.

- Sumlin will have the right to conduct a football camp subject to a separate agreement between UA and Sumlin for the use of UA facilities or marks. Sumlin will own all rights of the camp, and will be responsible for all aspects of the camp.

- Sumlin may enter into personal service agreements with other parties to provide services not reserved to UA within the contract, subject to UA approvals and compliance with applicable UA, NCAA, and ABOR policies. Currently, UA anticipates that Sumlin will enter into a contract with IMG College, LLC (or its parent or affiliate company) and Nike, Inc. To the extent required by NCAA and
Pacific-12 Conference regulations or UA policy, Sumlin must disclose all athletically-related outside income to the Athletic Director, the UA President, and the ABOR President annually.

- The contract may be terminated by UA for cause, in which case the UA shall be liable only for Sumlin’s base salary and incentive payments earned as of the date of termination. Additionally, if Sumlin violates NCAA or Pacific-12 Conference regulations, he may be liable to the UA for actual damages up to $100,000, and would be required to return sums earned as athletic performance bonuses for any victories or championships forfeited or vacated due to such violations.

- The contract may be terminated by UA without cause. In that event, UA will pay Sumlin liquidated damages for each year remaining in the contract, calculated as the lesser of: (a) the full amount of the base salary payable through the remainder of the contract term, or (b) $10,000,000 if terminated in Year 1; $10,000,000 if terminated in Year 2; $7,500,000 if terminated in Year 3; $5,000,000 if terminated in Year 4; $3,500,000 if terminated in Year 5. In no event will payment exceed the full amount of base salary that Sumlin would have received if he were still employed at UA through the end of the contract. These payment amounts will be offset by any and all amounts Sumlin receives if he is employed at any other university or professional major league team in a coaching capacity, or in any television capacity, at any time during the original contract term.

- The contract will set out Sumlin’s various compliance obligations, including his duties under Title IX as well as his NCAA, Pac-12, ABOR, and University compliance obligations.

- The contract may be terminated by Sumlin without cause. In that event, Sumlin will pay UA liquidated damages for each year remaining in the contract, calculated as follows: $10,000,000 if terminated in Year 1; $10,000,000 if terminated in Year 2; $5,000,000 if terminated in Year 3; $3,000,000 if terminated in Year 4; $1,000,000 if terminated in Year 5.

- There is no buyout related to Sumlin’s previous employment. The University is paying former Head Football Coach Richard Rodriguez approximately $6.26 million related to his termination without cause from the University.

- Sumlin will be subject to a covenant not to compete with any Pac-12 institution within one year of his employment with the University.
Requested Action

The University of Arizona asks the board to approve a Multiple-year Employment Contract for Kevin Sumlin as Head Coach of the Football Program at the University of Arizona as described in this executive summary.
EXECUTIVE SUMMARY

Item Name: Multiple-year Employment Contract for Head Men’s Basketball Coach (ASU)

☑ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: Arizona State University asks the board to approve a one-year extension of the Multiple-year Employment Contract for Robert Hurley as Head Men’s Basketball Coach at ASU and certain other changes.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☑ Other: Multiple-year Employment Contract

Statutory/Policy Requirements

ABOR Policies 6-910 and 6-1001 through 1003 require board approval of multiple-year employment contracts for head basketball coaches.

Background/History of Previous Board Action

- Robert Hurley (“Coach”) is currently serving as Head Coach of the ASU Men’s Basketball Team under a Multiple-year Employment Contract, which will expire on June 30, 2021. ASU desires to extend the term of Coach’s contract for an additional year and to make certain other changes.

- Coach is in his third season at ASU and has led the team to its best start in school history (12-0). The team posted its best non-conference win in school history with a victory at second-ranked Kansas on December 10. The team also won a regular season tournament for the first time since 1994 winning the 2017 Continental Tire Invitational. Coach’s team matched the highest ranking in school history (No. 3 in AP poll) in December 2017. At the opening of conference play this season, the Sun Devil men’s basketball games have drawn

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Ray Anderson, Vice President for University Athletics, ASU, (480) 965-8419, reanderson@asu.edu
the largest crowds in the past eight seasons. The Sun Devil Men’s Basketball program earned an Academic Progress Rate score of 990 for 2015-16 (the most recent available score).

- Based on due diligence, ASU has no knowledge that Coach has violated NCAA or Pac-12 Conference rules or otherwise engaged in wrongdoing, and there has been no litigation or press controversies related to his employment as Coach.

- Academic and athletic performance bonuses earned by Coach are summarized in the attachment to this Executive Summary.

Discussion

All terms in Coach’s contract previously approved by the Board will remain unchanged except as follows:

- ASU proposes to extend the term of Coach’s contract an additional year from June 30, 2021 to June 30, 2022.

- Coach’s current annual salary is $1,400,000. Coach’s current contract provides for Coach’s annual salary to increase by $100,000 on July 1, 2018 and by $200,000 on July 1, 2019 and 2020. ASU proposes to amend Coach’s contract to provide for Coach’s annual salary to increase by $700,000 on July 1, 2018, by $100,000 on July 1, 2019 and 2020 and by $200,000 on July 1, 2021. In addition, ASU proposes that Coach’s annual salary be further increased by the amounts set forth below depending on achievement of each performance milestone in a given year (potential additional increase of up to $350,000).

<table>
<thead>
<tr>
<th>Performance Criteria</th>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Season Pac-12 Conference Champion</td>
<td>$50,000</td>
</tr>
<tr>
<td>NCAA Tournament Appearance, Sweet 16</td>
<td>$100,000</td>
</tr>
<tr>
<td>NCAA Tournament Appearance, Final 4</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

Coach’s salary will be paid from public university funds, specifically from revenue generated by Sun Devil Athletics

- ASU proposes to pay Coach a signing bonus of $700,000 within 45 days of execution of Coach’s amended contract.

- Coach’s current contract provides for Coach to receive an athletic performance bonus for the highest post-season performance achievement set forth below:
ASU proposes to amend Coach’s contract to make the payments set forth above cumulative, which would result in Coach receiving a performance bonus of up to $1,400,000 for post-season performance.

- ASU proposes to amend Coach’s contract to provide for Coach to receive a retention bonus of $1,000,000 if Coach is employed as Head Men’s Basketball Coach at ASU on January 1, 2022. If Coach’s contract is terminated for any reason other than by ASU without cause, ASU will have no obligation to pay Coach any portion of the retention bonus. If ASU terminates Coach’s contract without cause, Coach will receive a portion of the retention bonus based on when termination occurs as follows: if Coach is terminated before January 1, 2019, he will receive no part of the retention bonus; if Coach is terminated after January 1, 2019 but before January 1, 2020, he will receive $250,000; if Coach is terminated after January 1, 2020 but before January 1, 2021, he will receive $500,000; and if Coach is terminated after January 1, 2021 but before January 1, 2022, he will receive $750,000.

- Under Coach’s current contract, if ASU terminates the contract without cause it must pay Coach as liquidated damages 100% of the then per annum salary for the remainder of the contract term. This sum is not reduced in the event of Coach’s subsequent employment during the original term of the contract. ASU proposes to amend Coach’s contract to provide for the liquidated damages otherwise payable to Coach to be reduced up to a maximum of 50% if Coach accepts a new collegiate head coaching position. Such reduction would commence in the year that Coach accepts the new position and would continue through the remainder of the term of Coach’s contract with ASU.

- Under Coach’s current contract, if Coach terminates the contract early and takes another intercollegiate coaching position or a professional coaching position, ASU may require Coach to pay ASU up to $1,200,000. ASU proposes to amend Coach’s contract to provide that if Coach terminates the contract early and takes another intercollegiate coaching position or a professional coaching position, ASU may require Coach to pay ASU the following amounts based on a five-year contract term: $3,000,000 if Coach terminates the contract in year 1; $2,500,000 if Coach

<table>
<thead>
<tr>
<th>NCAA Tournament Appearance</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Round of 68</td>
<td>$25,000</td>
</tr>
<tr>
<td>Round of 64</td>
<td>$50,000</td>
</tr>
<tr>
<td>Round of 32</td>
<td>$75,000</td>
</tr>
<tr>
<td>Sweet 16</td>
<td>$100,000</td>
</tr>
<tr>
<td>Elite 8</td>
<td>$150,000</td>
</tr>
<tr>
<td>Final 4</td>
<td>$200,000</td>
</tr>
<tr>
<td>Champ Game</td>
<td>$300,000</td>
</tr>
<tr>
<td>National Championship</td>
<td>$500,000</td>
</tr>
</tbody>
</table>
terminates the contract in year 2; $2,000,000 if Coach terminates the contract in year 3; $500,000 if Coach terminates the contract in year 4; and nothing if Coach terminates the contract in year 5. If Coach’s contract is subsequently extended, these buyout terms will reset based on the number of years in the extended contract term.

- ASU proposes to amend Coach’s contract to provide for Coach to receive a monthly stipend of $1,200 toward membership in an athletic club.

- Under Coach’s current contract, Coach is required to conduct camps as part of his basic duties. Under Coach’s amended contract, Coach will have the right to conduct a camp subject to a separate agreement if Coach uses university facilities or marks. Coach will own all rights to the camp and be solely responsible for payment of all camp expenses.

**Requested Action**

Arizona State University asks the board to approve the terms and authorize ASU to enter into an amendment to the Multiple-year Employment Contract for Robert Hurley as Head Men’s Basketball Coach at ASU, as described in the Executive Summary.
ROBERT HURLEY
HEAD MEN’S BASKETBALL COACH
Arizona State University

Athletics Performance Bonuses

<table>
<thead>
<tr>
<th>Season</th>
<th>Performance Milestone</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

Academic Performance Bonuses

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Performance Milestone</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.62 GPA; 93% GSR</td>
<td>$150,000</td>
</tr>
<tr>
<td>2016</td>
<td>2.50 GPA; 90% GSR</td>
<td>$150,000</td>
</tr>
</tbody>
</table>
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EXECUTIVE SUMMARY

Item Name: Multiple-year Employment Contract for Head Women’s Basketball Coach (ASU)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: Arizona State University asks the board to approve an extension of the Multiple-year Employment Contract for Charli Turner Thorne as Head Women’s Basketball Coach at ASU and certain other changes.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☒ Other: Multiple-year Employment Contract

Statutory/Policy Requirements

ABOR Policies 6-910 and 6-1001 through 1003 require board approval of multiple-year employment contracts for head basketball coaches.

Background/History of Previous Board Action

- Charli Turner Thorne (“Coach”) is currently serving as Head Coach of the ASU Women’s Basketball Team under a Multiple-year Employment Contract, which will expire on April 15, 2021. ASU desires to extend the term of Coach’s contract to June 30, 2022 and to make certain other changes.

- Coach is in her 21st season at ASU. Coach is the winningest coach in Sun Devil Women’s Basketball history and No. 2 in the Pac-12 in most career wins (414). Coach’s teams have appeared in postseason play 17 of the last 18 years. In 2017, Coach led ASU to its fourth-consecutive NCAA Tournament appearance (12th during ASU tenure) and fourth-consecutive 20-win season (12th during ASU tenure). Coach was named the 2016 Pac-12 Coach of the Year (coaches and media) after leading the Sun Devils to their second regular season Pac-12

Contact Information:
José Cárdenas, Senior Vice President and General Counsel, ASU, (480) 965-4550, jcardenas@asu.edu
Ray Anderson, Vice President for University Athletics, ASU, (480) 965-8419, reanderson@asu.edu
championship. ASU would go on to earn its highest NCAA Tournament seed (No. 2) in program history. In 2016, ASU also tied the program records for most conference wins (16) and consecutive wins (15) and set the program record for most road wins (11). ASU’s No. 5 finish on the Women’s Basketball Coaches Association’s 2017 Academic Honor Roll represented the second time in three seasons the Sun Devils have been among the top 10 programs in the country after placing seventh for the 2014-15 academic year. Since Coach’s first year at ASU (1996-97), the Sun Devils lead the Pac-12 in the number of first-team All-Academic conference awards (21) and the combined number of first- and second-team All-Academic conference awards (43).

- Based on due diligence, ASU has no knowledge that Coach has violated NCAA or Pac-12 Conference rules or otherwise engaged in wrongdoing, and there has been no litigation or press controversies related to her employment as Coach.
- Academic and athletic performance bonuses earned by Coach are summarized in the attachment to this Executive Summary.

Discussion

All terms in Coach’s contract previously approved by the Board will remain unchanged except as follows:

- ASU proposes to extend the term of Coach’s contract from April 15, 2021 to June 30, 2022.

- Coach’s current annual salary is $484,200. Coach’s current contract provides for Coach’s annual salary to increase by $20,000 on each July 1 during the term of the contract and to be further increased by certain percentages based upon the achievement of post-season performance milestones. ASU proposes to amend Coach’s contract to provide for Coach’s annual salary to increase to $525,000 on July 1, 2018, to $550,000 on July 1, 2019, to $575,000 on July 1, 2020, and to $600,000 on July 1, 2021. In addition, ASU proposes that Coach’s annual salary be further increased by the largest applicable percentage increment depending on achievement of the highest following performance milestone.

<table>
<thead>
<tr>
<th>Performance Criteria</th>
<th>Salary Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCAA Tournament Appearance, Sweet 16</td>
<td>5%</td>
</tr>
<tr>
<td>NCAA Tournament Appearance, Elite 8</td>
<td>6%</td>
</tr>
<tr>
<td>NCAA Tournament Appearance, Final 4</td>
<td>8%</td>
</tr>
<tr>
<td>NCAA Tournament Champion</td>
<td>10%</td>
</tr>
</tbody>
</table>
Coaches’s salary will be paid from public university funds, specifically from revenue generated by Sun Devil Athletics.

- ASU proposes to pay Coach a signing bonus of $100,000 within 45 days of execution of Coach’s amended contract.

- Coach’s current contract provides for Coach to receive an athletic performance bonus for the highest post-season performance achievement set forth below:

| NCAA Tournament Appearance, two games | $10,000 |
| NCAA Tournament Appearance, three games | $25,000 |
| NCCA Tournament Appearance, four games | $35,000 |
| NCAA Tournament Appearance, five games | $50,000 |
| NCAA National Championship            | $65,000 |

ASU proposes to amend Coach’s contract to make the payments set forth above cumulative, which would result in Coach receiving a performance bonus of up to $185,000 for post-season performance.

- ASU proposes to amend Coach’s contract to provide for Coach to receive the following bonus payments based on the number of Sun Devil Women’s Basketball program student-athletes enrolled in ASU’s Barrett Honors College in a given year. There will be only one payment for the highest achievement.

<table>
<thead>
<tr>
<th>Number of Student-Athletes</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>$25,000</td>
</tr>
<tr>
<td>3-4</td>
<td>$50,000</td>
</tr>
<tr>
<td>5 or more</td>
<td>$75,000</td>
</tr>
</tbody>
</table>

- ASU proposes to amend Coach’s contract to provide for Coach to receive a retention bonus of $200,000 if Coach is employed as Head Women’s Basketball Coach at ASU on January 1, 2022. If Coach’s contract is terminated for any reason other than by ASU without cause, ASU will have no obligation to pay Coach any portion of the retention bonus. If ASU terminates Coach’s contract without cause, Coach will receive a portion of the retention bonus based on when termination occurs as follows: if Coach is terminated before January 1, 2019, she will receive no part of the retention bonus; if Coach is terminated after January 1, 2019 but before January 1, 2020, she will receive $40,000; if Coach is terminated after January 1, 2020 but before January 1, 2021, she will receive $80,000; and if Coach is terminated after January 1, 2021 but before January 1, 2022, she will receive $120,000.

- Under Coach’s current contract, if ASU terminates the contract without cause it must pay Coach as liquidated damages 100% of the then per annum salary for the remainder of the contract term. The liquidated damages payable to Coach is
EXECUTIVE SUMMARY

reduced to 50% if Coach accepts new employment during the original term of the
contract. ASU proposes to amend the mitigation clause in Coach’s contract to align
it with the mitigation clauses in the contracts of ASU’s other head coaches.

- Under Coach’s current contract, if Coach terminates the contract early and takes
another intercollegiate coaching position or a professional coaching position within
the first year following the date of termination, ASU may require Coach to pay ASU
up to $225,000. ASU proposes to amend Coach’s contract to provide that if Coach
terminates the contract early and takes another intercollegiate coaching position or a
professional coaching position, ASU may require Coach to pay ASU the following
amounts based on a five-year contract term: $500,000 if Coach terminates the
contract in year 1; $400,000 if Coach terminates the contract in year 2; $300,000 if
Coach terminates the contract in year 3; $50,000 if Coach terminates the contract in
year 4; and nothing if Coach terminates the contract in year 5. If Coach’s contract is
subsequently extended, these buyout terms will reset based on the number of years
in the extended contract term.

- Under Coach’s current contract, Coach is required to conduct camps as part of her
basic duties. Under Coach’s amended contract, Coach will have the right to conduct
a camp subject to a separate agreement if Coach uses university facilities or marks.
Coach will own all rights to the camp and be solely responsible for payment of all
camp expenses.

Requested Action

Arizona State University asks the board to approve the terms and authorize ASU to
enter into an amendment to the Multiple-year Employment Contract for Charli Turner
Thorne as Head Women’s Basketball Coach at ASU, as described in the Executive
Summary.
CHARLI TURNER THORNE  
HEAD WOMEN’S BASKETBALL COACH  
Arizona State University

## Athletics Performance Bonuses

<table>
<thead>
<tr>
<th>Season</th>
<th>Performance Milestone</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>NCAA Tournament Appearance, 2 games</td>
<td>$10,000</td>
</tr>
<tr>
<td>2016</td>
<td>NCAA Tournament Appearance, 2 games</td>
<td>$10,000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

## Academic Performance Bonuses

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Performance Milestone</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>GPA 3.58; GSR 92%</td>
<td>$25,000</td>
</tr>
<tr>
<td>2016</td>
<td>GPA 3.31; GSR 93%</td>
<td>$25,000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$50,000</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Item Name: Arizona State University's FY 2017-2018 Operational and Financial Review (ASU)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: The Arizona State University and the board office ask the board to accept their Fiscal Year 2017-2018 operational and financial review composed of the background report, university business plan update and public presentation and strategic discussion.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☐ Other:

Statutory/Policy Requirements

A.R.S. §15-1626(A) General Administrative powers and duties of board

Background

As part of its constitutional responsibility to ensure that Arizona’s public universities accomplish their public purpose and mission, the Arizona Board of Regents conducts an annual comprehensive review of the operations and finances of each university. This review emphasizes ASU’s:

- differentiated mission, purpose and identity;
- strategic initiatives;
- current performance levels of the organization;

Contact Information:

President Michael Crow    (480) 965-8972    president@asu.edu.
Rich Stanley    (480)727-8307    Richard.H.Stanley@asu.edu
Chad Sampson    602-229-2512    Chad.Sampson@azregents.edu
John Arnold    602-229-2507    john.arnold@azregents.edu
Kris Okazaki    602-229-2552    Kris.Okazaki@azregents.edu
EXECUTIVE SUMMARY

- emerging threats and opportunities;
- current and future university priorities;
- strengths and weaknesses relative to higher education peers and competitors;
- financial model and resource allocation necessary to support the mission and initiatives;
- key partnerships, relationships and alliances; and,
- anticipated responses to contingencies or environmental changes.

The OFR allows the regents to understand the details and progress of each university’s academic, business, and strategic initiatives against the goals assigned in the ABOR strategic plan, as well as the personnel and financial resources that will be committed.

The review also highlights for the board the strategic and material decisions or policy changes required by the board as part of the plan. The process is also intended to enhance transparency in university planning and performance.

The board will draw on the information provided throughout the course of the year as it makes decisions regarding the university (e.g., tuition, capital projects, partnerships, academic programs, etc.).

Once accepted by the board, the university OFR materials will be used to facilitate university operating decisions internally.

Discussion

ASU’s review is composed of three components:

1) background report
2) update to the written business plan; and,
3) public presentation and strategic discussion with the board.

ASU’s OFR materials may be found here.

Each OFR component is briefly described below.

ASU Background Report

The background report is designed to provide the regents with an overview of each university’s progress in key areas of responsibility from the prior year relative to the ABOR metrics and university projections. The report includes several schedules populated by data obtained from the board’s business intelligence database, the financial aid report, other financial data, additional board annual reports and university provided financial projections.
EXECUTIVE SUMMARY

ASU’s Business Plan Update

In addition to the background report, ASU submits an update to its 2017 written business plan previously adopted by the board.

ASU’s Public Presentation and Strategic Discussion

As part of the review process, each university president (and, at the president’s discretion, key members of the university leadership team) will have the opportunity to make a presentation and engage in a strategic discussion with the board.

The presentation and discussion is expected to focus on those areas of greatest importance and urgency to the ASU and cover the strategies and initiatives that will be pursued in the coming year.

Requested Action

The Arizona State University and the board office ask the board to accept their Fiscal Year 2017-2018 operational and financial review composed of the background report, written business plan update and public presentation and strategic discussion.
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Arizona State University

Strategic Enterprise Plan:
2018 Update & Operational and Financial Review

Arizona Board of Regents
February 9, 2018
The ASU **Enterprise Plan** is one which has transformed an institution that is critical to the **success of the region and the State**.

The Enterprise Plan will continue to drive ASU’s capability to improve its performance and meet its metric targets.
ASU in 1985

Underperforming Public Agency Model

High State Investment

$8,755* per FTE student

No Budget for Improvement

$238 million

Inadequate Student Outcomes

13.8% four-year graduation rate

* = 2017 Dollars
ASU in 1985

Underperforming Public Agency Model

Low Price and Low Aid

$2,577* resident undergraduate tuition and fees

<2% undergraduates received Pell Grants

Small Contribution to Knowledge Generation

$28 million in annual research expenditures

Low Freshman Diversity

84.9% White

9.9% underrepresented minority

* = 2017 Dollars
Performing Public Agency Model

High State Investment
$9,230* per FTE student

Budget for Growth and Quality
$750 million

Improving Student Outcomes
28.4% four-year graduation rate

* = 2017 Dollars
Performing Public Agency Model

Medium Price and Medium Aid

$3,527* resident undergraduate tuition and fees

22% undergraduates received Pell Grants

Growing Contribution to Knowledge Generation

$123 million in annual research expenditures

Medium Freshman Class Diversity

71.2% White

17.2% underrepresented minority

* = 2017 Dollars
Established Public Enterprise Model

Low State Investment
$3,141 per FTE student

Budget for Consistent Growth and Quality
$3.1 billion

High Student Outcomes
51.6% four-year graduation rate
70.7% for A-students and 46.0% for B-students
Established Public Enterprise Model

Medium Price and High Aid

$10,792 resident undergraduate tuition and fees

34.2% undergraduates received Pell Grants

High Freshman Class Diversity

50% White

35.2% underrepresented minority

Large Contribution to Knowledge Generation

$545 million in annual research expenditures
ASU Charter

ASU is a comprehensive public research university, measured not by whom it excludes, but by whom it includes and how they succeed; advancing research and discovery of public value; and assuming fundamental responsibility for the economic, social, cultural, and overall health of the communities it serves.
Responsibility and The Public Trust

The charter is a promise to the citizens of Arizona.

ASU has a responsibility to fulfill the requirements of the Arizona Constitution to provide public education.

The responsibility is not one that is conditional upon the actions of the legislature; it is ASU’s responsibility to find the means to fulfill its charter while seeking appropriate and fair public investment in the costs of education for Arizona resident students.
Arizona’s changing demographics drive ASU’s planning

The current age demographics make it clear that there will soon be no majority race in the traditional college-age population. Arizona is further along with this trend than the country as a whole.


Source: Table B03002, American Community Survey, US Census Bureau
Arizona’s changing demographics drive ASU’s planning


Data: Table PEPALLSN, American Community Survey, US Census Bureau
Arizona household income began lagging behind that of the country as a whole during the recession and has not recovered. Because the access mission remains paramount, financial aid becomes even more critical and this places an extra burden on ASU’s finances.

Source: Table S1901, American Community Survey, US Census Bureau. Nominal data.
ASU is addressing these challenges with state investment well below the levels of the 1980’s

State Investment per FTE Student

Nominal dollars not adjusted for inflation
ASU is addressing these challenges with state investment well below the levels of the 1980’s.
ASU’s performance at the time that the metrics were established was already improving, but needed to be enhanced rapidly to achieve its targets.
The 2025 metrics require ASU to increase its proportional share of performance.
Arizona Public Universities
Freshman Cohorts 2009-10 vs. 2016-17

First-Year Retention Rate Changes

<table>
<thead>
<tr>
<th></th>
<th>2009-2010</th>
<th>2016-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABOR</td>
<td>78.5%</td>
<td>81.1%</td>
</tr>
<tr>
<td>ASU</td>
<td>81.2%</td>
<td>85.2%</td>
</tr>
<tr>
<td>UA</td>
<td>78.1%</td>
<td>80.5%</td>
</tr>
<tr>
<td>NAU</td>
<td>72.2%</td>
<td>75.5%</td>
</tr>
</tbody>
</table>

Six-Year Graduation Rate Changes

<table>
<thead>
<tr>
<th></th>
<th>2009-2010</th>
<th>2016-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABOR</td>
<td>56.0%</td>
<td>61.5%</td>
</tr>
<tr>
<td>ASU</td>
<td>55.8%</td>
<td>67.0%</td>
</tr>
<tr>
<td>UA</td>
<td>58.4%</td>
<td>59.9%</td>
</tr>
<tr>
<td>NAU</td>
<td>50.0%</td>
<td>53.3%</td>
</tr>
</tbody>
</table>
Achieve60AZ Degree Attainment Challenges

ABOR metrics will result in 400,000 new degrees by 2025 but there may still be a 200,000 degree shortfall.

2016 actual = 996,375 adults aged 20-65 with four-year degrees
2025 goal = 1,300,000? (there are many ways to calculate the goal)
ASU’s uses 19.5% fewer resources per degree awarded than the national median. At current levels of degree production, the difference in costs ($343M) is $50M more than the FY16 state appropriation.
ASU’s use of resources per degree is 11% below the median for universities without medical schools. Its research activity is almost four times greater than the median of the lower cost schools, and 1.5 times the median of the higher cost schools.
FTE Employees Per 100 FTE Students

(Excludes Medical School Employees)

Through a combination of cost discipline and strategic use of partnerships to control costs, ASU has consistently operated with about half the staff per student as its peers.

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona State University</td>
<td>12.91</td>
<td>12.93</td>
<td>12.92</td>
<td>12.85</td>
<td>12.42</td>
</tr>
<tr>
<td>Florida State University</td>
<td>15.33</td>
<td>15.81</td>
<td>16.10</td>
<td>16.05</td>
<td>16.14</td>
</tr>
<tr>
<td>Indiana University-Bloomington</td>
<td>20.11</td>
<td>20.53</td>
<td>20.07</td>
<td>20.77</td>
<td>20.35</td>
</tr>
<tr>
<td>Ohio State University-Main Campus</td>
<td>24.34</td>
<td>22.97</td>
<td>23.02</td>
<td>22.92</td>
<td>22.70</td>
</tr>
<tr>
<td>Pennsylvania State University-Main Campus</td>
<td>28.58</td>
<td>28.79</td>
<td>28.75</td>
<td>29.04</td>
<td>29.61</td>
</tr>
<tr>
<td>Rutgers University-New Brunswick</td>
<td>23.01</td>
<td>23.90</td>
<td>25.67</td>
<td>24.98</td>
<td>24.72</td>
</tr>
<tr>
<td>The University of Texas at Austin</td>
<td>28.77</td>
<td>32.77</td>
<td>26.00</td>
<td>26.70</td>
<td>27.38</td>
</tr>
<tr>
<td>University of Connecticut</td>
<td>26.92</td>
<td>28.08</td>
<td>28.32</td>
<td>27.59</td>
<td>27.19</td>
</tr>
<tr>
<td>University of Illinois at Urbana-Champaign</td>
<td>24.25</td>
<td>24.44</td>
<td>25.14</td>
<td>25.23</td>
<td>25.18</td>
</tr>
<tr>
<td>University of Iowa</td>
<td>23.22</td>
<td>23.32</td>
<td>23.50</td>
<td>24.08</td>
<td>24.22</td>
</tr>
<tr>
<td>University of Maryland-College Park</td>
<td>24.91</td>
<td>25.75</td>
<td>26.00</td>
<td>27.37</td>
<td>25.47</td>
</tr>
<tr>
<td>University of Minnesota-Twin Cities</td>
<td>29.62</td>
<td>30.30</td>
<td>30.85</td>
<td>31.24</td>
<td>31.56</td>
</tr>
<tr>
<td>University of Washington-Seattle Campus</td>
<td>25.60</td>
<td>24.44</td>
<td>25.29</td>
<td>25.60</td>
<td>21.70</td>
</tr>
<tr>
<td>University of Wisconsin-Madison</td>
<td>26.42</td>
<td>26.85</td>
<td>26.91</td>
<td>27.59</td>
<td>27.48</td>
</tr>
<tr>
<td>Peer Median</td>
<td>24.91</td>
<td>24.44</td>
<td>25.67</td>
<td>25.60</td>
<td>25.18</td>
</tr>
</tbody>
</table>
Resources
ASU has increased its performance in ways that allow it to serve more students and to grant more degrees despite inflation. Given that the state investment component of the available resources is less than half of the FY04 level, the cost effectiveness improvements have moderated the rate of tuition increase.
Enrollment capacity is critical to the ability to meet the access mission as well as to creating the resources needed in the Enterprise Plan. ASU is prepared to expand resident enrollment beyond the metric levels shown. It should be noted that the non-resident and online metrics are based on slower rates of growth than those of the last five years.

Tuition revenue from sources other than residents drives the enterprise resource strategy.
ASU Online programs generate over $200 million in gross revenue which supports faculty hiring that benefits both immersion and online students.

EdPlus has developed a range of student support technologies that are used in different ways to support all students.

Online courses are offered to immersion and to online students, and enhances student outcomes and time to degree.

Adaptive courseware developments benefit all students.

ASU is recognized as a leader in online education, innovation, and applications of technology to improve educational outcomes.
Partnerships with municipalities, private sector housing developers, and commercial firms supporting research.

Philanthropy - Campaign ASU 2020 seeks >$1.5 billion in new support, and also is the basis for building an organization capable of more philanthropic support after the campaign ends.

Compatible development of university-owned land to support athletic facilities and to relieve pressure on tuition rates.

Development also enhances ASU’s environs and will increase student opportunities for internships and post-graduation employment.

In the enterprise model, ASU seeks resources from a wide range of activities related to the mission.
In the enterprise model, ASU seeks resources from a wide range of activities related to the mission.
The Enterprise Plan has led to an increasingly diverse range of revenue sources.

Gross revenue as of 7/1/02 was $775M. 41% ($320M) came from state investment.

ASU University Gross Revenue Sources: All Funds ($ millions)

- State appropriations
- International UG tuition
- Fees and summer session
- Scholarship allowance
- Auxiliary
- Resident UG tuition
- Graduate tuition
- ASU Online tuition (gross)
- Other E&G sources
- TRIF
- Non-Resident UG tuition
- Thunderbird
- New revenue sources
- Gifts
- Research including F&A (external only)

FY08: $1.5B
FY12: $1.9B
FY16: $2.6B
FY18: $2.9B
FY21: $3.6B
F25: $4.3B

Gross revenue as of 7/1/02 was $775M. 41% ($320M) came from state investment.

The Enterprise Plan has led to an increasingly diverse range of revenue sources.
Cost discipline, application of technology, and economies of scale are projected to maintain current cost levels.
ASU’s financial strength led to a bond rating upgrade in 2017

Net Position ($ in Millions)

Invested in capital assets, net  Restricted  Unrestricted  GASB 68 and GASB 45 Adjustment
Thousands of dollars

The market (measured by non-resident and international student demand) values an ASU education at $30,000 per year.

Residents receive excellent value at $10,000 less substantial financial aid.

Building the brand quality and recognition will allow further revenue opportunities in the non-resident markets.
Arizona Resident Undergraduates in 2016-17 Average Gift Aid Awards by Family Income

Institutional gift aid is awarded as both merit aid and gift aid, which results in opportunities for aid to all students.

Average Gift Aid Awards by Family Income

- Tuition & Mandatory Fees
- Institutional Gift Aid
- Federal Gift Aid (All)
- State Gift Aid
- Private/External Gift Aid
- Average Student Payment

$2,328


Unknown: $2,328

All FT Resident UG

Arizona Resident Undergraduates in 2016-17 Average Gift Aid Awards by Family Income
Tuition, Surcharge, and Mandatory Fees: New Resident Freshmen Actual FY2014 to FY2018

- **UA Pledge**
- **NAU Pledge**
- **ASU**

<table>
<thead>
<tr>
<th>Year</th>
<th>UA Pledge</th>
<th>NAU Pledge</th>
<th>ASU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter Fall 13</td>
<td>$10,391</td>
<td>$9,692</td>
<td>$10,002</td>
</tr>
<tr>
<td>Enter Fall 14</td>
<td>$10,957</td>
<td>$9,990</td>
<td>$10,157</td>
</tr>
<tr>
<td>Enter Fall 15</td>
<td>$11,424</td>
<td>$10,358</td>
<td>$10,478</td>
</tr>
<tr>
<td>Enter Fall 16</td>
<td>$11,769</td>
<td>$10,640</td>
<td>$10,764</td>
</tr>
<tr>
<td>Enter Fall 17</td>
<td>$12,248</td>
<td>$11,059</td>
<td>$10,790</td>
</tr>
</tbody>
</table>
Note: UA pledge program began in FY15. Rates for fall 13 entrants are for non-guaranteed tuition. ASU rates after FY18 are estimated at annual increases of 1.5% and 3%.
Tuition rate increases have been low for the last six years—ASU pledges to hold annual resident tuition rates to < 3% for 12 years.
The planning parameters for FY19 to FY25 are to hold annual increase as close to zero as possible, with increases not to exceed 3% in any year.

This would result in increases of zero to $160-$175 per year or 12 years at less than inflation.
ASU has become far more accessible and attractive to students from families with lower and modest incomes during a period of tuition increases. This has been achieved at the same time that ASU has become a school of choice for students for whom affordability is not an issue.
In fall 2017, while the absolute number of white freshmen increased, the proportion of white freshmen was less than 50% of the class for the first time in ASU history.
ASU’s access and outreach efforts, combined with financial aid policies and student success programs have resulted in a doubling of the numbers of first generation students in the last decade.

Source: ASU analysis of FAFSA data. UOIA #9390.
Freshmen Entering in Fall 2013
Retention and Graduation by Entering High School GPA

1-Year Retention
94.6% (UT-Austin)
93.3% (ASU >3.67)
83.6% (ASU 3.00-3.66)
72.3% (ASU <3.00)

4-Year Graduation
70.7% (UT-Austin)
65.7% (ASU >3.67)
46.0% (ASU 3.00-3.66)
26.5% (ASU <3.00)
Access and cost effectiveness are meaningful only if they are accompanied by improved performance in student success, research, and reputation.
Research expenditures have doubled every six to eight years

FY25 Metric = $815M
(similar to MIT's research activity)

FY17 = $546.5M
FY13 = $405.2M
FY06 = $202.0M
FY98 = $92.0M

Actual  Metric Goal

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual (in $ Million)</th>
<th>Metric Goal (in $ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY98</td>
<td>FY00</td>
<td>FY21</td>
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<tr>
<td>FY99</td>
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<td>FY00</td>
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<td>FY01</td>
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<td>FY02</td>
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<td>FY03</td>
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<td>FY04</td>
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<td>FY18</td>
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<td>FY22</td>
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<td></td>
</tr>
<tr>
<td>FY23</td>
<td>FY25</td>
<td></td>
</tr>
</tbody>
</table>

$0 $100 $200 $300 $400 $500 $600 $700 $800 $900

$ Million
## 2016 National Science Foundation (NSF) Higher Education Research and Development (HERD) Rankings

<table>
<thead>
<tr>
<th>Total Research Expenditures among Institutions without a Medical School</th>
<th>Total Research Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9th</strong></td>
<td>Ahead of: Caltech, Princeton University, Carnegie Mellon University</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NSF Funded Expenditures</th>
<th>NASA Funded Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>23rd</strong></td>
<td>Ahead of: Harvard University, University of Chicago, University of Pennsylvania, Princeton University</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Sciences</th>
<th>Humanities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4th</strong></td>
<td>Ahead of: Berkeley, Cornell University, UCLA, University of Pennsylvania</td>
</tr>
<tr>
<td><strong>4th</strong></td>
<td>Ahead of: Yale, Harvard University, Princeton University, Columbia University</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geological and Earth Sciences</th>
<th>Electrical, Electronic, and Communications Engineering</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2nd</strong></td>
<td>Ahead of: Stanford University, MIT, PennState, University of Michigan</td>
</tr>
<tr>
<td><strong>7th</strong></td>
<td>Ahead of: Stanford University, Carnegie Mellon University, MIT</td>
</tr>
</tbody>
</table>
Direct and induced economic activity from ASU operations provided over 49,000 jobs and $3.76 billion in gross state product. This does not include the wages earned by ASU graduates shown on the next slide.

**Economic Impact of Arizona State University, FY2017**

<table>
<thead>
<tr>
<th></th>
<th>Gross state product (in mill $)</th>
<th>Labor income (in mill $)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>University payroll &amp; employment</td>
<td>$1,386</td>
<td>$1,195</td>
<td>16,992</td>
</tr>
<tr>
<td>University non-payroll operating expenditures</td>
<td>315</td>
<td>196</td>
<td>4,616</td>
</tr>
<tr>
<td>University construction</td>
<td>166</td>
<td>129</td>
<td>2,246</td>
</tr>
<tr>
<td>Spending by faculty &amp; staff</td>
<td>611</td>
<td>363</td>
<td>7,692</td>
</tr>
<tr>
<td>Student spending</td>
<td>1,194</td>
<td>617</td>
<td>16,238</td>
</tr>
<tr>
<td>Visitor spending</td>
<td>88</td>
<td>57</td>
<td>1,537</td>
</tr>
<tr>
<td><strong>Total economic impact</strong></td>
<td><strong>$3,760</strong></td>
<td><strong>$2,557</strong></td>
<td><strong>49,321</strong></td>
</tr>
</tbody>
</table>

Source: Center for Competitiveness and Prosperity Research, L. William Seidman Research Institute, W.P. Carey School of Business, Arizona State University
Wages paid to ASU graduates in Arizona in 2015 totaled $8.9 billion. Arizona taxes on those wages were almost $650 million.

### Wages Earned and Taxes Paid in Arizona in 2015 by ASU Graduates 1990-2015

<table>
<thead>
<tr>
<th></th>
<th>Resident UG</th>
<th>Resident G</th>
<th>Non-Resident UG</th>
<th>Non-Resident G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degrees awarded 1990-2015</td>
<td>167,971</td>
<td>52,021</td>
<td>43,664</td>
<td>30,430</td>
</tr>
<tr>
<td>Number employed in Arizona</td>
<td>99,881</td>
<td>29,795</td>
<td>8,714</td>
<td>5,481</td>
</tr>
<tr>
<td>% employed in Arizona</td>
<td>59%</td>
<td>57%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>Wages earned</td>
<td>$5,589,572,900</td>
<td>$2,368,837,600</td>
<td>$488,130,400</td>
<td>$410,455,300</td>
</tr>
<tr>
<td>Estimated State tax revenue</td>
<td>$401,926,600</td>
<td>$166,677,600</td>
<td>$35,266,900</td>
<td>$29,108,600</td>
</tr>
</tbody>
</table>

ASU’s graduates are a major economic driver for the metropolitan area and the state.
ASU’s has made substantial progress since the metric targets were established in 2008-09. The Enterprise Plan provides the strategy for continued progress.
Discussion
Arizona State University
EXECUTIVE SUMMARY

Item Name: Novus Innovation Corridor Update (ASU)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☑ Information or Discussion Item

Issue: Arizona State University will provide an update to the board on the Novus Innovation Corridor.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☑ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☐ Other: Governance

Statutory/Policy Requirements

• A.R.S. § 15-1626(A)(1) General Administrative Powers and Duties of Board

• ABOR Policy 7-207.A.1.a requires Board approval for any lease with a term that exceeds 120 months

Background/History of Previous Board Action

• The Novus Innovation Corridor is a branded mixed-use project that will be developed by ASU and third parties, a significant portion of which is currently known as the Athletic Facilities District (the "AFD").

• In March 2016, the board approved authority for ASU to execute ground leases within the AFD with certain reporting requirements.

Contact Information:
John Arnold  602-229-2507  john.arnold@azregents.edu
Morgan R. Olsen  480-727-9920  morgan.r.olsen@asu.edu
EXECUTIVE SUMMARY

- Susequently, ASU branded the mixed-use project as the Novus Innovation Corridor™, which includes the AFD and certain additional property. The current boundaries of the Novus Innovation Corridor are shown on Exhibit A.

- The Business and Finance Committee received executive session updates regarding the Novus Innovation Corridor on June 7, 2017, August 8, 2017, and August 29, 2017.

- At the the September 28-29, 2017 ABOR meeting, ASU received approval to execute ground leases within the Novus Innovation Corridor including a reporting structure, outlined in Exhibit B, with the 3 main components of reporting including:
  
  o An annual report submitted by August 15 every year for board review. The report will provide a year in review and a preview of the upcoming year, as well as progress against baseline financial and development timelines.

  o Preliminary takedown notice reports to the chair of the Business and Finance Committee, and a presentation to the Business and Finance Committee that reviews the development plan for the phase included in the takedown notice.

  o Updates to the Business and Finance Committee as necessary when significant events related to the master plan or developments are anticipated.

Requested Action

This item is for information and discussion only. No action is required.
Exhibit A

Novus Innovation Corridor
Current Master Development Plan Map
Exhibit B
Novus Innovation Corridor
Reporting Structure

Annual Report

ASU shall submit a Novus Innovation Corridor annual report by August 15 of every year for board review. The report shall include at least the following:

- Updated master development plan
- General Project Update
- Updated pro forma schedules
- Timeline for project milestones
- Leases signed during the reporting period
- Updated projections for gross square feet of development
- Horizontal development expenditures for the reporting period
- Horizontal development project budget (updated)
- District financial statements including assessment revenue
- Projected development scheduled for upcoming year

Preliminary Takedown Notice Report

Takedown notice reports to the Business and Finance Chair shall include:

- Description of the parcel(s) included in the takedown
- Planned development timeline
- Projected gross square feet of development
- Development plan (square footage, uses, open spaces, etc.)
- Lease terms

ASU shall provide a presentation to the Business and Finance Committee reviewing the development plan for the phase included in the takedown notice.

As Necessary Updates

ASU shall provide updates on the Novus Innovation Corridor to the Business and Finance Committee as necessary outside the above defined reporting structure for anticipated significant changes to the current master development plan.
ABOR Briefing Agenda

1) Novus Goals

2) Entitlement and Infrastructure Update
ASU Design Aspirations

1. Leverage Our Place
   ASU embraces its culture, socioeconomic and physical setting.

2. Transform Society
   ASU catalyzes social change by being connected to social needs.

3. Value Entrepreneurship
   ASU uses its knowledge and encourages innovation.

4. Conduct Use-Inspired Research
   ASU research has purpose and impact.

5. Enable Student Success
   ASU is committed to the success of each unique student.

6. Fuse Intellectual Disciplines
   ASU creates knowledge by transcending academic disciplines.

7. Be Socially Embedded
   ASU connects with communities through mutually beneficial partnerships.

8. Engage Globally
   ASU engages with people and issues locally, nationally and internationally.
NOVUS Goals

- Advance New American University design aspirations
- Generate resources for construction and maintenance of intercollegiate athletic facilities
- Create an urban, mixed-use, smart city development at ASU/Downtown Tempe
- Enhance economic development for Tempe and the Valley
Arizona State University
One University in Many Places
At Full Build-Out
## NOVUS Innovation Corridor
### Master Development Plan

#### March 2016
- Material changes require ABOR approval – any land use not reflected in master development plan
- Master Plan Version 1.0
  - ~7M+/- square feet
  - Office 3.44M square feet
  - Multi-Family 3,340 units
  - Hotel 633 Keys
  - Retail 240K square feet

#### August 2017
- Sasaki Master Plan Integration
- Athletic Facilities Master Plan
- Master Plan Version 2.0
  - ~8M+/- square feet
  - Office 3.86M square feet
  - Multi-Family 3,645 units
  - Hotel 667 Keys
  - Retail 298K square feet
Phasing: Master Plan
Pre-Development Activities

2015 and 2016
- Master Development Agreement
- Financial Feasibility
- Initial Master Development Plan
- Infrastructure Master Plan
- Environmental Assessment

2017
- Design Standards Manual
- Phase III Streetscape Design Manual
- Zoning & Entitlements
- Covenants, Conditions and Restrictions
- Branding and Marketing
# 24-Month Major Milestones

<table>
<thead>
<tr>
<th>Entitlement</th>
<th>Aug. 2017</th>
<th>Feb. 2018</th>
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</thead>
<tbody>
<tr>
<td>• Zoning to MU-ED <strong>(completed)</strong></td>
<td>Q317</td>
<td>Q317</td>
</tr>
<tr>
<td>• Joint Traffic Study and Council Presentation <strong>(completed)</strong></td>
<td>Q317</td>
<td>Q317</td>
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<tr>
<td>• Establish Novus zoning overlay district</td>
<td></td>
<td></td>
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<tr>
<td>• Neighborhood meetings</td>
<td>Q417</td>
<td>Q118</td>
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<tr>
<td>• Joint Review Committee (JRC) study session</td>
<td>Q417</td>
<td>Q118</td>
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<tr>
<td>• Development Review Commission (DRC) study session</td>
<td>Q417</td>
<td>Q118</td>
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<tr>
<td>• DRC Hearing</td>
<td>Q118</td>
<td>Q118</td>
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<tr>
<td>• Tempe City Council 1st Public Hearing</td>
<td>Q118</td>
<td>Q218</td>
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<tr>
<td>• Tempe City Council 2nd Public Hearing</td>
<td>Q118</td>
<td>Q218</td>
</tr>
</tbody>
</table>

Note: Dates are calendar years
Phase III
Build Out
(University and Rural Neighborhood)
24-Month Major Milestones

Phase 3

Multi-Family Residential No. 1
• Execute Option to Lease (completed) Q317 Q317
• Developer Completes Site Review Q417 Q118
• ASU Design Review Approval Q218 Q218
• Catellus Commences Site Prep and Infrastructure Q218 Q318
• Developer Commences Construction Q418 Q119

Class A Office Building No. 1
• Execute Letter of Intent (completed) Q317 Q317
• Execute Option to Lease Q118 Q118
• Developer Completes Site Review Q218 Q218
• ASU Design Review Approval Q418 Q318
• Catellus Commences Site Prep and Infrastructure Q119 Q318
• Developer Commences Construction Q119 Q119

Note: Dates are calendar years
Questions
Adoption of Minutes
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ARIZONA BOARD OF REGENTS
Minutes of a Regular Meeting
Wednesday, September 27, Thursday, September 28
and Friday, September 29, 2017

A meeting of the Arizona Board of Regents was held on Wednesday, September 27, Thursday, September 28 and Friday, September 29, 2017 at Northern Arizona University, High Country Conference Center and the du Bois Center in Flagstaff, Arizona.

Present: Regent Ridenour, Regent Shoopman, Regent Heiler, Regent Manson, Regent Myers, Regent Penley, Regent Taylor Robson, Regent Careaga and Regent DeGravina.

Absent: Regent Krishna, Governor Doug Ducey and Superintendent Douglas

Others present: from Northern Arizona University President Rita Cheng, Provost Daniel Kain, Senior Associate Christy Farley, Legal Counsel Michelle Parker, Joanne Keene, Katy Yanez, Bjorn Flugstad, Kim Ott, Jane Kuhn, Dan Okoli and Steve Burrell; from Arizona State University President Michael Crow, Provost Mark Searle, Senior Associate Christine Wilkinson, Legal Counsel José Cárdenas, Morgan Olsen, Stephanie Salazar and Adam Deguire; from the University of Arizona: President Robert Robbins, Provost Andrew Comrie, Senior Associate Jon Dudas, Legal Counsel Laura Todd Johnson, Gregg Goldman and Sabrina Vasquez; from the Board Office: President Eileen Klein, General Counsel Nancy Tribbensee, Jennifer Pollock, John Arnold, Kody Kelleher, Sarah Harper and Kate Linder; and Arizona Faculties Council Representative Lynn Nadel.

All lists, reports, summaries, background materials and other documents referred to in the minutes can be found in the September 27-29, 2017 Document Files.

The meeting was called to order on September 27, 2017 at 5:15 p.m. The board immediately voted to go into executive session.

The public meeting resumed on September 28, 2017 at 1:08 p.m. Regent Ridenour noted that Regent Krishna was unable to attend this meeting, and welcomed both Regent Taylor Robson and Regent DeGravina to their first Board of Regents meeting. Regent Ridenour also welcomed Dr. Lynn Nadel from the University of Arizona as the new Arizona Faculties Representative.

Regent Ridenour asked for a moment of silence to remember Dr. Betty Capaldi Phillips. Prior to observing a moment of silence, President Crow remarked on her role as a transformational leader as ASU in her role as provost.

Regent Ridenour thanked President Cheng and her staff for hosting the meeting. Both Regents Careaga and DeGravina led the Pledge of Allegiance.

Regent Ridenour further welcoming remarks by remarking that the men and women appointed to be a regent for the Arizona Board of Regents are civilians and are unpaid for their eight years of service. During Regent Ridenour’s three years of service, he has attended 176 meetings in addition to the regular board meetings. The regents work hard and are
dedicated to their responsibilities. The regents serve because they have a desire to make a difference and that is the only reward for which the regents strive. Regent Ridenour shared some personal history starting with his schooling in a one-room school house in the small northern Arizona town of Oatman. He received both his undergraduate and law degree from the University of Arizona and attributed his career and his current role as chairman of the Board of Regents to his getting an education. A top priority that he shares with the board is to give every Arizona child the access and affordability to attain a higher education degree. Regent Ridenour addressed the DACA students ensuring them that no matter what the courts rule with regards to residency and tuition prices, the universities are committed to encourage private funding to enable them to attend Arizona’s public universities. The work of the universities continues to progress and Arizona’s universities strive to be on the cutting edge of innovation in the higher education landscape, partnering with and/or leading groups to help provide low-cost degrees to help all students have access to an affordable education.

NORTHERN ARIZONA UNIVERSITY PRESIDENT’S WELCOME

President Cheng provided her welcoming remarks to the board and reported on the start of the new academic year at Northern Arizona University. She welcomed students, staff and faculty at the various colleges during the first week. NAU’s student-centered environment is maintained using integrated data and models of best practices in using resources to effectively serve students. NAU’s strategic and focused research is coordinated with undergraduate and graduate programs and aligns with critical issues of the region. President Cheng introduced Chief of Police, Kelly Smith, whose 20 years of experience working with the University of Central Florida Police Department afforded her the credentials needed to fill the chief of police position at NAU. President Cheng also commented on the launch of the Arizona Teacher’s Academy. NAU’s teaching program has been an integral part of the university for over 100 years and the Arizona Teacher’s Academy is the next great step for educating students to be Arizona’s teachers. President Cheng closed her remarks with an invitation for the regents to tour the campus and note the many completed and in-progress improvements to the NAU campus facilities.

ABOR PRESIDENT’S REPORT

ABOR President Report (Item 1)

President Klein introduced her report as a means of updating the public on the work being done collectively as a system, to report on results of the university enterprise and to look ahead at the continuing and new projects the board will focus on for the upcoming year.

President Klein spoke on the public launch of the Arizona Teacher’s Academy on September 26, 2017. In the Governor Ducey’s State of the State address, he charged the three universities to develop a program in which students would be educated as teachers and alleviate tuition debt in exchange for a commitment to teach in some of Arizona’s schools with high needs. The current program offerings are the result of several months of work, largely through the leadership of the university provosts. Each university’s version and offering is unique. The provosts worked diligently to make it possible for the Arizona’s Teacher’s Academy to have an immediate impact with participants graduating in May 2018 and attracting new students. The Arizona Teacher’s Academy is up and running with the resources currently available and growth of the program is expected in the coming years.
As the fall semester got underway, the three universities welcomed students to campus and together set records for enrollment. The fall 2017 combined total enrollment is 179,455, with 145,457 undergraduate students enrolled, 27,400 of those are incoming freshmen. Individually each university is setting records in enrollment, retention and the number of students who are Arizona residents. ASU is experiencing its fifth consecutive year of increased freshman enrollment of Arizona residents, with approximately 7,212 resident freshman students. ASU has also seen a 60% increase in freshman enrollment for online programs since fall 2016. NAU experienced a 5% increase of first-year students attending the university with 90% of all freshmen living on campus which contributes to a 75.5% freshman retention rate. 68% of NAU’s students are Arizona residents with 4,375 students making up this year’s resident freshmen class. For the University of Arizona, 5,866 of the approximate 10,000 incoming freshmen are Arizona residents and the academic performance of incoming freshmen is at an all-time high.

President Klein spoke on attainment as it relates to achievement in the K-12 pipeline. Recent data shows a five-year increase in the number of Arizona high school graduates entering postsecondary education as well as a five-year increase in students who are completing their degrees within six years of leaving high school. However, data shows a slight decrease in the number of Arizona’s high school graduates who enter higher education immediately after high school graduation. We are analyzing why this is happening. There are strong indicators that Arizona’s high school students are better prepared to enter postsecondary institutions. The universities, in concert with the Arizona Board of Education, raised the academic requirements for students entering higher education resulting in incoming students experiencing greater success at the university level.

President Klein gave an update on Achieve60. The state-wide goal is to make sure that 60% of Arizona’s students are receiving a of post-secondary education, a degree, certificate or other workforce relatable credential or military experience after high school. To achieve 60%, Arizona residents will need access through academic preparedness and affordability through financial support. Student achievement starts in K-12 but the goal includes student achievement in our universities to meet the needs of the workforce awaiting them after graduation. Accountability goes beyond the board and the universities into a community-wide effort. Partnerships with the Center for the Future of Arizona and Expect More Arizona made it possible to launch the Education Progress Meter. With the State’s adoption of the 60% goal, there now exists a framework of accountability measures, to track the student progress and attainment at all grade levels. At the university level, those measures include student achievement, retention and a four-year graduation. Alignment with community colleges is also necessary, which requires students are adequately prepared to succeed at the university level, and ensuring the community colleges have the resources they need to prepare both students who move on to the Bachelor’s level as well as those students who do not.

President Klein reviewed the wages of Arizona graduates and their influence on the state’s economic strength. Data shows undergraduate degree holders in Arizona earn on average 82% more than a high school graduate and those who hold a graduate degree earn 23% more than those who earn a bachelor’s degree. To the state, the culmination of these earnings provided $1.23 billion in state and local taxes paid over the past 28 years. Not only do the universities provide individual opportunity, but a great deal of economic support through graduate incomes and earnings. NAU graduates lead the way in obtaining the
highest starting wage post-graduation, but success and contribution to the state is not measured by the point and time a graduate enters the market place, but through on-going study of their earning difference throughout their life.

President Klein introduced the theme and focus for the next year titled, “Governing with a Purpose.” Governing with a Purpose is an effort to energize the enterprise strategic plan by creating academic and business plans at each of the universities. The university plans are synced with the enterprise plan using the state-wide metrics, and one of the enterprise’s important advances, in terms of governance oversight is the Operations and Financial Reviews (OFR). President Klein discussed NAU’s OFR presentation scheduled for later in the meeting. A large volume of information about the universities and the metrics of each university can be found on the Arizona Board of Regent’s interactive website. For this year’s advance of the Operations and Financial Review, the background report was revamped and universities were asked to follow a corporate 10-K model as business plans are organized with key elements that need attention to assure financial support is there. The key difference between the Board of Regent’s system and other systems is that the report consists of both achieved results as well as the direction the universities are going. The key governance enhancements that the board will be focusing on for the next year include:

- Reform Board Oversight of University Property Development;
- Launch Quality Assurance Review;
- Pursue additional reforms to increase access and affordability, promote greater transparency in tuition and fee setting and encourage greater alignment in Arizona higher education system;
- Revamp structure, charge and authority of committees;
- Lead in state and national discussions on the future of public higher education; and
- Preserve trust and confidence in public higher education.

President Klein concluded her report with a video from the launch of the Arizona Teachers Academy.

CALL TO THE AUDIENCE

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

Dr. Bruce Hungate, NAU Center for Ecosystem Science and Society, spoke about President Cheng’s support for research and faculty
Dr. Dave Trilling, NAU Professor of Physics and Astronomy, spoke about President Cheng’s support for research and faculty
Matt Lubisich, ASUA, spoke about student government
Lauren L’Ecuyer, ASNAU, spoke about student government
Uzma Tahir and Lauren Savoie, NAU-GSG, spoke about student government
Daniel Garcia, SWCA Environmental Consultants, spoke about the proposed Arizona State Museum fees
Ruth Greenspan, Arizona Department of Transportation – Environmental Planning, spoke about the proposed Arizona State Museum fees
Philip Bashaw, Grand Canyon State Electric Cooperative Association, spoke about the proposed Arizona State Museum fees.
Ian Milliken, Pima County Government, spoke about the proposed Arizona State Museum rates and fee structure.
Kassandra Carrasco spoke about DACA students and the board’s continued support.

CONSENT AGENDA

All items on the Agenda that are marked with an asterisk (*) are consent matters. The Agenda was adopted as described in the executive summaries upon motion by Regent Taylor Robson; second by Regent Penley, with the exception of Item 20, which was withdrawn from the Agenda. These items were considered by a single motion with no discussion.

*Minutes

The board approved minutes from the November 17-18, 2016 Executive Session; March 13, 2017 Special Executive Session; March 17, 2017 Special Executive Session; March 21, 2017 Special Executive Session; April 6-7, 2017 Regular Board Meeting; April 21, 2017 Special Executive Session; May 31, 2017 Special Board Meeting; June 29, 2017 Special Board Meeting; and August 10, 2017 Special Board Meetings.

BUSINESS AND FINANCE COMMITTEE

*Sun Devil Stadium Renovation Phase 3 Revised Project Approval (ASU) (Item 12)

The board approved Arizona State University’s request for project approval of the Sun Devil Stadium Renovation Phase 3 project.

*Novus Innovation Corridor Master Plan Approval and Reporting Structure (Item 13)

The board approved Arizona State University’s Novus Innovation Corridor master plan and proposed reporting structure.

*Extension of Lease Term for ASU California Center at 725 Arizona Ave., Santa Monica, CA (ASU) (Item 14)

The board approved the extension of the term of the leases between Arizona State University and 725 Arizona Avenue (SM), LLC, for ASU’s California Center for an additional five-year term.

*Ground Lease with American Campus Communities for Development of the UA Honors College Housing (UA) (Item 15)

The board approved the University of Arizona’s request to execute a ground lease and associated agreements with American Campus Communities for the development of an Honors College Housing Community on the northern edge of the UA campus.
*Honors College Community Support and Auxiliary Services Project and Financing Approval (UA) (Item 16)

The board approved project and financing approval of the Honors College Community Support and Auxiliary Service Project. To serve the third-party privatized Honors Residence Hall Community, UA will enter into a development agreement with American Campus Communities to construct a 370-space garage, 322 surface parking spaces, a 49,700 square foot recreation and campus health center, a 14,600 square foot dining facility, and 24,500 square feet of office, classroom, academic and support spaces at cost of $53.3 million. Parking reserves will fund $11.2 million and system revenue bonds will fund the remaining $42.1 million and issuance costs. The bonds would be repaid over 25 years.

*Fremont Street Acquisition Approval (UA) (Item 17)

The board approved the University of Arizona’s request to acquire a segment of Fremont Street from the City of Tucson, in connection with the development of the Honors College Community.

*Proposed Update to the Business and Finance Committee Charter, and Review of Calendar of Work and Areas of Oversight (Item 18)

The board approved the proposed update to the Business and Finance Committee Charter, as well as Review of the Calendar of Work and Areas of Oversight.

ACADEMIC AND STUDENT AFFAIRS

*Proposed Revisions to ABOR Policy 2-320 “Academic Year Calendar” (Second Reading) (Item 19)

The board approved the proposed revisions to ABOR Policy 2-320 “Academic Year Calendar” to remove the requirement that academic calendar submissions and revisions must obtain board approval.

*Proposed Revisions to ABOR Policy 2-223 “Academic Strategic Plans” (First Reading and Immediate Implementation) (Item 20)

Item 20 was withdrawn from the agenda.

*Proposed Update to the Academic and Student Affairs Committee Charter (Item 21)

The board approved the updated Academic and Student Affairs Committee Charter, the 2017-2018 Calendar of Work, and Areas of Oversight.

*Request for New Academic Unit for Northern Arizona University (NAU) (Item 22)

The board approved Northern Arizona University's request to split the Department of Sociology and Social Work into two separate academic units.
*Request for New Academic Unit for the University of Arizona (UA) (Item 23)

The board approved the University of Arizona’s new Political Economy and Moral Science academic unit.

RESEARCH, INNOVATION AND IMPACT COMMITTEE

*Proposed Revision to ABOR Policy 6-908 “Intellectual Property Policy” and Proposed Repeal of ABOR Policy 6-909 “Copyrights” (Second Reading) (Item 24)

The board approved the proposed revision to ABOR Policy 6-908 “Intellectual Property Policy” and the proposed repeal of ABOR Policy 6-909 “Copyrights.”

*FY 2017 Technology and Research Initiative Fund Annual Report (Item 25)

The board approved the FY 2017 Technology and Research Initiative Fund Annual Report for submission to the Governor and the Legislature.

*FY 2017-2021 Technology and Research Initiative Funds 5-Year Project Plans – Budget Amendments (Item 26)

The board approved the amended budget projections to the Technology and Research Initiative Fund 5-year project plans for the FY 2017-2021 TRIF cycle.

*Proposed Update to the Research, Innovation and Impact Committee Charter, and Review of Calendar Work and Areas of Oversight (Item 27)

The board approved the proposed update to the Research, Innovation and Impact Committee Charter, and review of Calendar of Work and Areas of Oversight.

REGENTS EXECUTIVE COMMITTEE

*Annual Personnel Report (Item 28)

The board approved the Annual Personnel Report for the Arizona University System.

*Proposed Revisions to ABOR Policies to Require Final Approvals by the Full Board (First Reading) (Item 29)

The board reviewed on first reading proposed revisions to several board policies to remove authority for committees to make any final decisions. The policies affected are: 3-301 “University Investments,” 6-208 “Honored Faculty Positions,” 7-102 “Overview of the Capital Development Process and Phases,” 7-109 “Project Approval,” 7-110 “Project Construction,” 7-113 “Space Inventory and Utilization Reports,” and 7-203 “purchase of Real Property.” The proposed revisions reflect the board’s current practice of requiring a vote by the full board on final approvals following appropriate committee review and recommendation.
*Ratification of Appointment of State Geologist (UA) (Item 30)*

The board ratified the appointment of the State Geologist by the University of Arizona.

*Multiple-Year Employment Contract for Head Coach of the University of Arizona Softball Team (UA) (Item 31)*

The board approved the proposed multiple-year employment contract for the University of Arizona’s Head Softball Coach Michael Candrea.

*Multiple-Year Employment Contract for Head Coach of the University of Arizona Baseball Team (UA) (Item 32)*

The board approved the proposed multiple-year employment contract for the University of Arizona’s Head Baseball Coach Jay Johnson.

*Multiple-Year Employment Contract for Vice President for University Athletics (ASU) (Item 33)*

The board approved the proposed extension of the multiple-year employment contract for Raymond Anderson as Vice President for University Athletics at ASU and certain other changes.

**BUSINESS AND FINANCE COMMITTEE AND LEGISLATIVE AFFAIRS DISCUSSION**

**Report of the Business and Finance Committee Meeting (Item 2)**

Regent Shoopman reported on the September 27, 2017 Business and Finance Committee Meeting. Highlights from the meeting included the ASU Sun Devil Stadium Phase 3 Renovation Revised Project Approval for which an additional gift funding will allow for the revised scope of work.

Regent Manson explained that Phase 3 of the renovation was delayed by a year to determine the best use of the space on the east side of the stadium. There is an increase in opportunity for large groups to use the facility, and an enormous opportunity to host community activities. Approximately $39 million in additional funding has been provided through gifts; an expense the state will not incur but will benefit from. President Crow added that ASU’s Sun Devil Stadium will be the only sports venue that has more than 50,000 people in attendance that has no public investment. The Stadium renovation project is completely funded by fees and donations not associated with public investment.

Additional highlights from the meeting included the approval of the leasing and master plan for the ASU Novus Innovation Corridor. A reporting structure was adopted along with a communication plan to work closely with ASU throughout its development. The committee also approved three components for the University of Arizona Honors College including the authority for UA to execute a ground lease with the American Campus Communities to provide housing, dining, parking and a recreation and health center; the authority for UA to issue bonds to finance the non-housing spaces of the project; and the authority for UA to purchase property on Freemont Street from the City of Tucson. Regent Myers commented...
on the importance of adding an honors college to the UA campus to recruit the best and brightest students. Regent Myers acknowledged President Robbins’ personal leadership with his team and their efforts to reach out to the community, showing respect, and understanding for residents' concerns and to design a project that will benefit the university and enhance the neighboring communities and the City of Tucson.

**Report on Legislative Affairs (Item 3)**

The board's Assistant Vice President, Government Affairs, Kody Kelleher, and the university government affairs teams provided the board with an update on the upcoming 2018 legislative agenda. Mr. Kelleher introduced Stephanie Salazar and Adam Deguire as ASU’s newest government affairs team members. Mr. Kelleher announced the dissolution of the Legal Affairs Committee due to the requirement that the committee report to the full board regarding approval of positions on bills and statues. Moving forward legislative items will go directly to the board. Mr. Kelleher briefed the board on additional items relating to the legislative business including the launch of the Arizona Teacher’s Academy, hiring of a Government Affairs intern, and several audits by the Auditor General. Preparations are underway for meeting with different business groups and chambers of commerce to share board priorities and building support for the 2018 legislative session. The Sunset Review for the WICHE program is pending. A report has been submitted to a Committee of Reference at the legislature and the board will be updated when the WICHE office has been notified. Regent confirmations preparations for the 2018 session will begin. Mr. Kelleher reported on the JLBC hearing and JCCR hearing. JLBC approved the University Enterprise’s year tuition collections report and all three universities’ capital projects were granted favorable reviews. Notably, the UA’s School of Animal Sciences project, Building 90 is the first project submitted to and approved by the JCCR that is being funded with the new bonding dollars passed last year.

The universities' government affairs teams provided brief updates. Sabrina Vasquez from the University of Arizona commented on the positive review from the JCCR on both of the university’s capital projects. UA is partnering with businesses in southern Arizona to arrange for a southern Arizona legislative tour. Katy Yanez from Northern Arizona University spoke on the JCCR review and laying a foundation for future projects at NAU using the new bonding money. NAU continues to meet with the various chambers to engage in their business agendas to develop their advocacy with the legislature. During the summer, the JLBC staff toured NAU’s campus to view current facilities and plans for future projects. Stephanie Salazar from Arizona State University spoke on the JCCR.

Regent Shoopman expressed his appreciation for the work of the universities' government affairs teams and their responsibility to balance the support of the ABOR agenda for the enterprise of all three universities while also representing the individual universities effectively.

**FY 2019 State Budget Requests (Item 4)**

The board was asked to approve the universities and the board office FY 2018-19 state budget requests for submittal to the Governor and the Legislature by October 1, 2017.
President Klein remarked on the need for a strategic process on approaching the legislature. Recognizing there will be minimal growth in the General Fund this year, the Enterprise still needs to make progress on resident student formula funding. The university presidents and President Klein collectively recommended focusing efforts and energy around increasing the amount of support for the Resident Student Funding Model. This model has been accepted and endorsed by business, philanthropic and education organizations around the state and most importantly Arizona’s students. President Klein expressed gratitude for the support provided in bond funding last year. The JLBC and JCCR’s reviews are an important part of the legislature’s oversight of the dollars they commit to university projects. These projects serve not only to remediate the needs of the universities, but will help further transform research capabilities. Any information needed by these oversite committees is readily made available to ensure legislators are comfortable with the use of funds approved and to avoid delays during the committee process. Also unique to the year’s request is a current-year supplemental budget request to dismiss the unexpected charges related to the state employee health insurance accessed to the state university system. The impact on tuition is a concern to the university presidents as well as board members. The request is to have the money restored to the university budget this year. The EEC would like to review the language that was put into the budget last year about the state’s gain-sharing with respect to Tech Transfer. Changes may be necessary to improve the formula to avoid over-burdening the cost structure related to Tech Transfer while recognizing the state’s right to gain-share in the investments being made into the research infrastructure.

John Arnold elaborated on the key element of the 2019 budget requests of the state’s commitment to fund 50% of the Resident Student Funding Model. Reaching the goal will require the state to add $252 million to the universities’ appropriation. The request suggests a four year phase-in process starting in FY 2019, resulting in a FY 2019 budget request for $63 million for that aspect. To advance funding from its current status to a 50% state funding level, the State needs to recognize the growth of resident student enrollment; otherwise, funding per resident student will fall further behind the 50% goal. Between the fall of 2016 and the fall of 2017, the university enterprise added approximately 2,700 new resident students to the system, with the cost to educate 2,700 additional resident students at approximately $14 million. Combining the $63 million for the first year’s move toward the 50% goal and the $14 million to break even, the FY 2019 request totals $77 million. The request for a FY 2018 supplemental request to offset the health insurance trust fund surcharge totals $22 million. There are two statutory formulas that are not funded and will be noted to the legislature. The Building Renewal Formula, which would provide $148 million in fiscal 2019, is currently at zero funding and the Arizona Financial Aid Trust which would provide $33.7 million, with funding at $10 million, a shortfall of $23.7 million.

President Crow stated that the universities have realized the state’s need for a new financial structure. ASU has adjusted to that structure and is now focusing all the investment by the state onto the students and families of students. The shortfall in costs has been spread out over four years. ASU is making fair and reasonable requests within the construct design of present public policy realm. This is done in a way that best affects the success for the students of Arizona that attend public universities. President Cheng reiterated President Crow and President Klein’s statements adding the perspective of a simple, transparent request to fund 50% of the cost for resident students. The universities have worked hard to keep costs flat, and the state is being asked to do their part.
Regent Myers suggested the funding model is not an issue of fairness but competitiveness. The board has stated a desire for Arizona to be more competitive and having a workforce that has enough people with advanced degrees to fuel higher paying jobs in companies that will employ people is critical. Within Arizona’s adult population, 30% have a Bachelor’s degree or above, a total lower than two-thirds of other states. The goal of this board is for the total of Arizona’s adult population, with advanced degrees, to be equal to the national average by 2025. Arizona also has to take into account the replacement of the large amount of baby boomers that will be retired and out of the work force. This proactive vision is for the purpose of making Arizona competitive with the workforce needed to stimulate economic growth.

Upon motion by Regent Shoopman; second by Regent Penley, the board approved the FY 2018-19 state budget requests, as presented.

**2018 Enterprise Legislative Agenda** (Item 5)

The Enterprise Executive Committee asked the board to approve the EEC’s recommendations for the 2018 enterprise legislative agenda.

Upon motion by Regent Shoopman; second by Regent Myers, the board approved the Enterprise Executive Committee’s recommendations for the 2018 enterprise legislative agenda and directed the EEC and enterprise government affairs teams to pursue any legislation needed to fulfill the board approved FY 2018-19 state budget requests, including addressing any outstanding issues from the FY 2018 state budget, and further directed President Klein and the board’s lobbyist Kody Kelleher to work closely with the board chairman and vice-chairman in developing the legislative priorities, and to bring any additional priorities identified by the EEC to the board for approval.

**2018 Enterprise Lobbying Principles** (Item 6)

The board office asked the board to approve the 2018 Enterprise Lobbying Principles.

Kody Kelleher listed the changes to the FY 2018 Enterprise Lobbying Principles, which included the refinement of language and an additional statement that echoed state law regarding compliance of prohibition of general fund appropriated dollars for contracting lobbying services.

Upon motion by Regent Shoopman; second by Regent Myers, the board approved the 2018 Enterprise Lobbying Principles.

**FY 2019-2021 Capital Improvement Plans (ASU, NAU, UA)** (Item 7)

Arizona State University, Northern Arizona University and the University of Arizona asked the board to approve their FY 2019-2021 Capital Improvement Plans.

John Arnold explained the steps in the capital process. The first step is the presentation of the Capital Improvement Plans for each university, which provides detailed plans for the next 12 months and additional plans for the two years after. The second step is the review of the three universities’ Capital Development Plans, reviewed in June and is a 12 month capital plan. The third step takes each individual project that is part of the Capital Development Plan
through one last review before construction can start. It is being proposed that the Capital Development Plans for each university be reviewed individually to allow board members to examine each university’s capital plan for the next 12 months. The proposal also suggests eliminating the final step. Once the board reviews and approves the 12 month plan the university may move forward with the capital projects. The purpose is to change the focus from individual projects to the university’s overall Capital Development Plan. Positive feedback has been received by the board and the universities.

President Cheng reported that NAU is early in the process and cited the need for flexibility to adjust or add to the process.

Regent Myers pointed out that research buildings house people who, while doing research bring in sponsorship money from industry and federal money. These buildings create new jobs and provide revenue for related businesses and the community on an ongoing basis.

Regent Manson noted that these are some of the first projects that will take advantage of the bonding authority that was allocated to the Enterprise from the state last year. They include new projects as well as deferred maintenance and renovation projects. Regent Shoopman acknowledged Governor Ducey’s leadership in getting the capital funding approved. He also stated that this process reveals the board’s view of the universities’ facilities and the goal of finding their optimal use. This is part of the board’s fiduciary responsibility to add efficiency and effectiveness.

Upon motion by Regent Shoopman; second by Regent Myers, the board approved the FY 2019-2021 Capital Improvement Plans for Arizona State University, Northern Arizona University and the University of Arizona, as presented.

ACADEMIC AND STUDENT AFFAIRS

Report on the Academic and Student Affairs Committee Meeting (Item 8)

Regent Penley reported on the September 27, 2017 Academic and Student Affairs Committee Meeting. Items 19 through 23 were adopted on the consent agenda with the exception of item 20. Highlights from the meeting included the General Education Review Series, which included a discussion on the structure and purpose of the general education programs in higher education. An in-depth look at the quality of education requires considerably more time and work for regents, board staff, the universities’ provosts and academic leadership, and it is important that the student regents be engaged in these discussions. There is a benefit of having the general education requirements at two of the three universities as well as Dr. Nadel, the faculty representative to review these issues. General education is a challenging issue that faculty at universities continue to address. The quality of general educations matters to the student and to the kind of education that our graduates receive. An agenda has been laid out for the committee to give direction to address this issue. The committee received a report on college going and college completion rates of Arizona High School graduates and the wages of Arizona residents who graduated from Arizona’s public universities. Additionally, the board was asked to approve revisions to the ABOR policy for the Academic Strategic Plan Policy. This approval has been delayed in order to lay out more directly, the way the committee and university leadership are going to address academic programs from the three universities.
Additional highlights included NAU’s request to split the Department of Sociology and Social Work into two units, the University of Arizona’s addition of the Political Economy and Moral Science program, and the charter, calendar of work and areas of oversight for Academic and Student Affairs Committee.

Regent Myers commented on how the universities can apply innovation to assist the K-12 through the Arizona Teachers Academy and other programs such as the digital high school that ASU is orchestrating. He explained the issues in rural areas where it is difficult to hire and retain certified math and science teachers.

President Crow described ASU Prep Digital as a product of ASU’s two-step process to change the way the university’s core programs are delivered; through on-campus immersion and online digital immersion.

Regent Heiler clarified that the schools that are not advancing students from high school to higher education are those that receive students in the ninth grade who are way behind their grade level and unable to successfully prepare themselves for college. The next level of analysis is to track those students to their middle school and elementary schools. Regent Heiler brought attention to the data from President Klein’s report that he felt was significant; only 20% of the high school graduates in Arizona earn a degree within six years. President Cheng reported that the State Board of Education is focused on this issue. Regent Penley pointed out that the linkages between the K-12 education and the higher education are deeply intertwined.

RESEARCH, INNOVATION AND IMPACT COMMITTEE

Report on the Research, Innovation and Impact Committee Meeting (Item 9)

Regent Manson reported on the September 27, 2017 Research, Innovation and Impact Committee meeting. Highlights from the meeting included the revised calendar and charter of work for the committee, the Technology and Research Initiative Fund (TRIF) Annual Report and amendments to the five-year budget. The second reading of the Intellectual Property and Copyrights ABOR Policy includes changes responding to the current Tech Transfer environment by updating and streamlining the policy to recognize the expertise in the university Tech Transfer Offices. This provides flexibility to respond to the market while maintaining ABOR’s oversight. Also review and discussed was an overview and compilation of the UA/Banner Agreement Responsibilities and the proposed reporting timeline. The committee is interested in the information that comes out of the agreement with Banner, the maintenance, the improvement and long-term, ongoing positivity of the two organizations. The board will work to keep those discussions open and transparent to provide the best health outcomes for the citizens of Arizona under the agreement.

REGENTS EXECUTIVE COMMITTEE

Report on the Regents Executive Committee Meeting (Item 10)

Regent Ridenour reported on the September 1, 2017 Regents Executive Committee meeting. Highlights from the meeting included presidential contracts, the Annual Personnel Report, revisions to ABOR policy to require final approvals by the full board and multiple-year
employment contracts for the head coach for the University of Arizona’s softball team, the head coach for the University of Arizona's baseball team and for the Arizona State University’s Vice President for University Athletics.

STUDENT REGENT REPORT

Regents Careaga and DeGravina provided their student regent report. Regent Careaga reported on his participation in the United Nations High-level SDG Action Event on Education in New York. The purpose of the event was to promote increased access and equitable quality of education for all citizens worldwide. Regent Careaga met with Arizona’s congressional delegation in Washington, D.C. to discuss the work of Arizona’s three public universities and the board on how to partner together to address issues faced by students. Regent Careaga thanked Michael Sistak from UA for organizing these meetings. Data was provided on each university’s freshmen enrollment including the percentage of Arizona resident students and overall students of underrepresented populations.

Regent DeGravina reported on the student regent participation at the Student Leadership Dinner. Topics discussed included current climate around the DACA student issue and code of conduct policies regarding self-harm. Future goals are focused on connecting with student government leaders and hosting forums to help address important issues students face at each campus and its students. They also wish to further develop the office of the student regent, giving more visibility to the office and taking on initiatives to make students aware of their peer advocates within the board.

Regent Klein commented on the board’s recent efforts to increase student involvement in the board’s work. Regent Careaga is making sure to build out the office of the student regent and develop a series of protocols. Onboarding processes are being updated and ensuring that each campus has dedicated office space for the student regent and protocols to engage with the board. The appointment of student regents is the prerogative of the governor, but it’s important that the universities’ student groups who are responsible for the open and astute nominations of the student regents, in collaboration with university leadership, are given the opportunity to provide input to the Governor’s Office. Regent Careaga and Regent DeGravina have been charged with helping the Governor’s Office gain more clarity in that process.

REPORT FROM THE ARIZONA FACULTIES COUNCIL

Dr. Lynn Nadel provided his report to the board on behalf of the Arizona Faculties Council, and expressed his and his colleagues’ appreciation for the extra roles provided to them in relation to the board.

Issues of most concern for the universities’ faculty included:

- DACA student support offered by the regents and senior leadership on campus is greatly appreciated and further support for both students and staff is requested.
- Academic freedom and freedom of speech issues. Faculties appreciate senior leadership that allows for teaching in ways that are regarded as professionally competent, as well as the prerogative to discriminate between competent and incompetent work. Disruptive behavior including cyber-bullying and threats to physical safety creates hostile environments that may undermine student success and the
quality of education. The AFC would like to work with the regents and board staff to develop guidelines for dealing with these serious threats.

- The faculty as a whole appreciates the continuing efforts by the board to obtain appropriate funding from the state to support higher education and its access for all Arizona residents.
- Questions about general education raised by the regents during the committee meetings will help focus ongoing discussions by faculty and others on campus. The idea of exploring civic discourse, as an essential skill in the general education curriculum should be included in further discussions.

President Klein thanked Dr. Nadel for taking on the leadership role with the Arizona Faculties Council and for his many efforts to date to advance the University of Arizona. In the upcoming year, the board and board staff will need to work closely for faculty members, particularly with the Academic Affairs focus. During future faculty breakfasts, discussions will focus on establishing the role and responsibility of faculty in the enterprise model.

RECESS

The meeting recessed at 4:32 p.m., and resumed on Friday, September 29, 2017 at 9:35 a.m.

NORTHERN ARIZONA UNIVERSITY’S FY 2017-2018 OPERATIONAL AND FINANCIAL REVIEW

Northern Arizona University’s 2017-2018 Operational and Financial Review (Item 11)

Northern Arizona University and the board office asked the board to accept their Fiscal Year 2017-2018 Operational and Financial Review composed of the background report, written business plan update and public presentation and strategic discussion.

Regent Ridenour commented that the universities’ Operational and Financial Reviews help to bring to light some of the challenges they may be facing.

President Cheng provided an overview of NAU’s Operational and Financial Review, as a prelude to further discussions around the accomplishments and challenges facing the university. President Cheng also thanked community leaders from Flagstaff, Coconino County and Yavapai County for joining the meeting.

President Cheng spoke on the intersections of higher education that can enhance the university’s efforts and impact. The 2025 performance metrics maps out NAU’s future objectives and shapes the decisions that positions the university to successfully reach its goals. Since 2006, NAU’s enrollment has significantly grown across its campuses statewide and online. Current total enrollment is over 31,000, with an additional 9,000 new undergraduate students. Nearly 35% of NAU’s student body is ethnically diverse, with 128 Native American tribes and a variety of Hispanic, African-American and Asian Pacific Islander cultures. More than 22% of NAU’s students are Hispanic or Latino/Latina, and its Yuma campus has been designated a Hispanic-serving institution. The international student population includes more than 1,300 students from 82 countries.
NAU continues to advance towards its ambitious 80% freshman retention rate; a core part of its 2025 goals. NAU currently has a 75.8% freshman retention. Continued focus on student success will help the university increase its outcome each year. The use of Civitas and SalesForce enables NAU to find success in technology and student needs. The programs help the university make sure students receive the guidance they need and prompts NAU to proactively reach out to the student when he or she needs additional help and encouragement. Student engagement efforts include advising, mentoring, academic, social and community support services to ensure success. NAU has moved forward in high priority campus maintenance and infrastructure improvement while staying below its statutorily debt limit. Through a partnership with American Campus Communities, a new resident hall has been completed and NAU is in the process of building a new Honors College living and learning center. President Cheng further commented on other improvements made to parking lots and core infrastructure to ensure safety. Investments have been made in essential IT infrastructure, improved classrooms and upgraded computer equipment, and the resources provided by the Governor and the legislature in the coming years will provide NAU with the opportunity to pursue investments in the north campus science corridor. NAU will continue to explore ways to responsibly pursue investments in facilities requiring ongoing maintenance by prioritizing annual investments.

President Cheng provided information on other improvements including the One NAU initiative scheduled to be fully implemented by the end of 2017. A streamlined IT system will ensure efficient and reliable services to all students and team members. There has been improved advising and consistent communication with online students and on campus. On the NAU-Yuma campus, the second annual start-up weekend is underway for next spring; an event attracts entrepreneurs for start-up businesses. Along with the Arizona Western College, NAU’s sister universities and many other partners, NAU revamped outreach to potential students in nursing and social work programs to meet the high demand for these career fields in Yuma. Partnerships in California and Mexico recently expanded into the Four Borders Academic Alliance, an agreement that allows students in psychology and social work to better understand issues facing professionals in a border region. At NAU-Yavapai in Prescott Valley, programs are being expanded to meet the workforce demands and connect students to promising careers. Students in Yavapai County have access to the newly launched Teacher’s Academy, which will help support Yavapai Community College education students as they pursue their Associates Degree and a NAU degree in education locally. A 5-year internship program in Yavapai County government has been established to provide hands-on experience for students in every department of the county. Business mentors are connected to students to provide inside professional opportunities on the Prescott Valley campus.

Online enrollment continues to grow with degree programs and personalized learning. NAU has worked to create an online experience that is welcoming and helps to ensure student success, with early results reflecting a 2% retention rate increase for one-year fulltime online students. NAU is in the process of hiring a new dean for NAU Online and Innovative Educational Initiatives.

NAU’s Educational Partnership Unit is growing stronger partnerships with community colleges and businesses throughout Arizona. President Cheng announced four new programs on six campuses for fall 2017. NAU is revamping programs to meet current workforce demands. Various partnerships with other higher education institutions, business
and community leaders, which play a vital role in economic, cultural and community development. Partnering with the Flinn Foundation is advancing the biomed sciences and the work with TGen is opening doors of discovery for disease diagnosis.

NAU’s Academic Strategic Plan includes advisory committees to help with curriculum and identify student needs. President Cheng provided an overview of the various degree options and additions that have been enhanced by data from labor statistics and other workforce studies. Work at the Phoenix Biomedical Campus continues to evolve, and over the next year, NAU will take a greater role in addressing the changing healthcare environment.

NAU has consistently moved up in the Higher Education Research and Development rankings every year, with the most recent ranking of No. 219 out of 640 institutions. NAU’s goal is to be within the top 200 research universities. The recent world university rankings put NAU’s researchers in the top 10% in the world for the number of times other researchers cite them. NAU’s public service programs generate benefits for a wide range of Arizona’s citizens. Literacy programs, forest fire prevention, and using the Gear-up Program to educate high school students on the value of education are a few of the public service programs NAU is offering for those in need. The Institute for Tribal Environmental Professionals has established partnerships with 95% of the 567 tribes in America, strengthening capacity and sovereignty in environmental and natural resource management. Importantly, it provides culturally relevant education and training, research and policy based services. The NAU Institute for Human Development provides services for those with disabilities to engage in their communities.

President Cheng reviewed NAU’s financial standing with a stable bond rating. NAU’s total budget of $590 million supports 31,000 students and engaging activities. Although the state has recently provided funding for research, the per-student state investment continues to decrease as more Arizona residents enroll. NAU lags in staff and faculty salaries; additional hires and retention of quality faculty will be needed to support growing resident enrollment. NAU continues the Pledge Tuition program; however, with continued growth, the institution needs additional investments in the state’s residential funding model. NAU eliminated more than 200 class fees for the year and will continue to evaluate the fee structure and insure that students understand how class fees enhance their program experience. President Cheng explained the difference between the sticker price of tuition and the actual rate the students pay. Financial aid and scholarship resources increase accessibility for everyone. In FY 2016, nearly 40% of undergraduates graduated with zero student debt and there has been no increase in the average student debt since 2012. NAU provides $102 million in financial aid, more than 36 times the $2.8 million students receive in financial aid from the state.

NAU is committed to its community and invests hundreds of thousands of service hours to the community. The community connects with NAU through arts exhibits, cultural performances, open houses, athletic events and other activities.

President Cheng concluded remarks by listing some of the most recent recognitions received by NAU, including: the Washington Center’s Higher Education Civic Engagement award; the Andrew Haskell Awards for Innovation and International Education; National rankings for awarding Bachelors and Master’s degrees to Native Americans; and the World University Rankings listing NAU in the 10% in the world for the frequency of research citations.
Regent Penley congratulated President Cheng on the physical and safety improvements of the campus, especially with the expansion of campus housing. He also voiced appreciation for the Yuma and Yavapai campuses' lower cost option for students who find the Flagstaff campus less affordable.

Regent Meyers affirmed the hard work and creativity of President Cheng and her leadership team. He considers the vast improvements and progress of NAU over the past eight years remarkable considering the challenging fiscal environment.

Regent Heiler commented on how all three universities offer an array of educational opportunities at different tuition price points. These options emphasize the board's adherence to the constitutional mandate of providing instruction as nearly free as possible. Geographic location is one dimension that affects not only the price of an education but the physical accessibility. The information, origin, current situation and future of these educational options needs to be translated into a bold vision of what all this leads to in the future for Arizona's higher education and for the state. Regent Heiler reminded the audience that NAU is a national and international leader in online education.

Regent Ridenour commended President Cheng and her leadership team for NAU's forward mobility and growth. The accomplishments of NAU over the past ten years, in spite of the state's downward trend in higher education funding, invokes deep pride in the board members.

At approximately 10:30 a.m., the meeting relocated to NAU's du Bois Center for the remainder of NAU's Operational and Financial Review presentation.

President Cheng opened the floor for conversation between the regents and NAU's senior staff on a wide range of topics with regard to NAU.

In response to Regent Myers' question on the accuracy of peer institutions whose data is being used to compare and set standards for Arizona's public universities, President Cheng described several institutions on NAU's list of peers that are no longer considered competitive. She prescribes to university peers with whom she shares challenges and other similarities.

Some universities are considered peers in research and not in growth and enrollment. Regent Myers referenced the US News rankings where Alabama is ranked higher than all three Arizona universities. While they have a strong football team, Alabama does not compare to what Arizona's universities are doing. Regent Myers looked for clarification on how that happens and how to change the perspective on Arizona's universities. President Cheng explained that the rubrics used by US News includes selectivity of student enrollment, performance of student admission, graduation and retention, peer review, alumni giving, alumni satisfaction scores and graduate workforce information. NAU's senior staff has discussed areas where NAU can improve its ratings and is focusing energy on those areas. Regent Myers suggested a review of the peer institutions and a possible update to drive improvement in the areas needed. Regent Ridenour mentioned President Klein's assignment to review peer rating and peer groups. President Klein agreed that with the growth and
advances of Arizona’s public universities, an update of peer institutions is a priority with university presidents.

Regent Ridenour inquired about what NAU is doing to simplify the online enrollment process. President Cheng explained that the One NAU initiative addresses the areas of improvement in the application process. Jane Kuhn, NAU’s Vice President of Enrollment Management and Student Affairs detailed known problems and solutions of the application process. Steve Burrell, NAU’s Chief Information Officer also commented on projections for increased efficiency of the system, as well as information on the scheduled five-year cycle of the campus technology update.

Regent Manson revisited the peer institution subject and suggested establishing peer comparisons in relation to each university’s goal areas. She also requested clarification on the freshmen retention rate referring to the cohorts of each year reported and the changes that have occurred between 2012 to the present time. President Cheng explained the purpose of the data was to show the difference in size of the cohort in 2012 versus today. Enrollment at NAU has increased and the diversity of the class has changed. Jane Kuhn recounted the start of the College Success Program after changes were made that restricted financial aid. NAU partnered with Coconino Community College and in the first year, the program was successful; however, changes in the program were needed in the second year and the program was then suspended. The program was refined and is now once again offered at NAU. Students who are not university ready take 11 credits at NAU to prepare them for the community college experience where they transfer and are full-time students making progress in their degree. These students transfer back to NAU in the spring semester. The retention of the students in this program has increased over the years.

Bjorn Flugstad, NAU’s Vice President of Institutional Planning and Analysis responded to Regent Ridenour concerning the decrease in NAU’s enrollment and growth. Mr. Flugstad stated the university foresees a growth increase to match the projected growth for 2025. Christy Farley reiterated NAU’s confidence in the projected growth and the continuous evaluation and adjustment of tuition models to meet families’ needs while staying competitive. New leadership at NAU is charged with finding ways to deliver competitive online program structures. Ms. Farley also stated that families are choosing on-campus programs and growth at the Flagstaff campus is continuing.

Due to its growth and expansion in the valley, Regent Myers suggested including Grand Canyon University as a peer institution. Jane Kuhn reported that while Grand Canyon University is a competitor for resident and non-resident students, data suggests it is not a peer with NAU in graduation and retention, in addition to it having a different financial aid model. Ms. Kuhn also noted that many of NAU’s transfer students start at Grand Canyon University.

Regent Penley inquired about NAU’s finance model and whether study has been done to evaluate the plan to ensure it is a viable situation in the future. NAU is highly dependent on tuition and state revenue and Regent Penley raised concerns about the financial stability of the institution in 2021-2025. President Cheng remarked on the brand recognition strategy to recruit more nonresident students, who will receive some scholarship money but will still provide increased revenue. International student enrollment continues to grow and will be part of the financial revenue plan for the future. Staff continually evaluates the operations
efficiency and use of resources, including refinancing debt and faculty and staff structure and expenditures. Regent Penley supported additional Master's programs including business college Master's programs as opposed to MBAs that are costly and produce net losses.

Regent Penley commented on the statistics of NAU’s freshmen retention rate and the six-year graduation rate. His inquiry focused on which programs needed to be altered, which courses need to be addressed and what experiences represent challenges could improve the persistence rate of freshmen. President Cheng spoke about the efforts of NAU staff and a retention consultant who worked to improve NAU’s freshmen retention; however, these efforts did not have the expected results. This may be due to increased enrollment in diverse and underrepresented cohorts. A breakdown of the groups and their retention was shared with the deans and chairs to stimulate a culture change on campus. There are reviews ongoing of courses with high failure rates, and changes in advising are also in-progress. Dan Okoli, NAU’s Vice President of Capital Planning and Campus Operation acknowledged Regent Penley’s concerns and was in agreement with his summation of the persistence rates. Mr. Okoli assured the board that staff is working to improve graduation rates and address related issues. He pointed out a contextual factor that the retention rate for specific groups who, in the past have left school, is improving; although, the data does not reflect the improvement due to enrollment numbers growing simultaneously. Unique challenges and considerations that NAU faces includes off-campus housing as well as other factors that undermine student retention. Many of NAU’s faculty members are taking year-long, online courses to learn new and more effective ways of teaching.

Regent Myers commented on freshmen retention and noted that the universities are enrolling more at-risk and Pell eligible students. While this is a positive step, data shows these groups are more difficult to retain. Regent Myers asked if NAU is benefiting from the Civitas Learning system. Jane Kuhn commented on NAU’s implementation of the Civitas Learning system and the training of staff to use the system. Weekly persistence scores are reviewed and at-risk students are identified. Staff members reach out to these students to discover their challenges and direct them to the resources they need. SalesForce is another program that records student contact and academic activities within the campus support system, allowing NAU staff members to see what is consistently showing up as a problematic area for students. Online students have access to online mentors effective this school year.

Regent DeGravina commented on the sense of community at NAU and her appreciation for tuition guarantee programs that are important from a student perspective.

Regent Taylor Robson asked for more information regarding the general studies capstone project. Provost Daniel Kain explained the purpose of the capstone is for students to bring together components from their major and their general studies experience. Key outcomes from a student’s major are presented using essential skills from their general studies experiences. President Cheng noted this capstone project received national recognition and is part of NAU recruiting materials.

Regent Manson inquired on how NAU’s research funding and exercises in research are benefitting the educational experience of undergraduate students. President Cheng responded that a main goal of the university is to build on the iconic areas of research that NAU is known for and invest in more faculty members to carry on the research. Ph.D.
programs have been aligned to include undergraduate research and the expectation among new faculty members has been to include undergraduate students in their labs. Lisa Campos, NAU’s Vice President of Intercollegiate Athletics, shared NAU’s successes of student athletes. The Lumberjacks competed well both academically and athletically in the Big Sky Conference. Student athletes performed over 5,000 hours of community service in the northern Arizona region. Several programs within the athletic department provide a conduit for exposure to the university for children living on the reservations. Ms. Campos explained the challenges of recruiting quality athletes and the importance of moving forward in the construction of a new facility.

Kim Ott, NAU’s Assistant to the President for Executive Communications and Media Relations, reported on the recent hire of a chief marketing officer. There are challenges around how to get the message out about NAU’s exceptional programs as well as all the family and student support services that need to be broadcasted regionally, nationally and globally. Present Cheng spoke to Regent Penley’s inquiry regarding critical brand attributes that seem to attract new students. The Opportunity in Every Direction theme adopted two years ago has been a platform for other brand attributes. Ms. Ott provided more detail on recruitment marketing. Campus visit conversations with students and their parents center on academics; programs, research opportunities and faculty-to-student ratios, financial, and social fit. NAU’s recruitment marketing extends to high school visits, college fairs, and athletics department sponsored events.

President Klein commented on increased data that provides insight into past performance and insight into the future, and acknowledged President Cheng and her staff’s efforts to meet challenges. President Klein commended President Cheng on her perseverance to meet high standards and arduous goals that often require hard and unpopular decisions.

Regent Careaga complimented President Cheng on the one-stop shop system that provides assistance to any Lumberjack with the swipe of their student identification card, as well as applauded NAU in educating high school students who are in the process of choosing their future school.

Joanne Keene, NAU’s Executive Vice President and Chief of Staff, has been working to rebuild relationships within the Flagstaff community. There are student housing developments in Flagstaff that will open up more single family rentals for faculty and staff. Transportation in Flagstaff is a community problem that is difficult even when the students are not on campus and solving the problem is a high priority.

President Klein commented on the outstanding team of the board staff and the augmentation that has occurred in recent years to ensure the best people are on the job for the universities’ and the board’s benefit. As the universities grow and their platforms mature, governance structure must be adequate. Regent Ridenour spoke to the professionalism of the board staff and their importance in assisting the regents and the universities. Regent Shoopman spoke to the worth of the board office personnel and the efficiency of such a small group who serve three universities.

President Cheng publicly thanked Michelle Parker, Daniel Palm, Chad Hamill, and Laura Jones who are important contributors to her team and NAU.
Upon motion by Regent Penley; second by Regent Heiler, the board accepted Northern Arizona University’s FY 2017-2018 operational and financial review.

INQUIRIES, REQUESTS, REPORTS, AND COMMENTS FROM REGENTS AND MEMBERS OF THE ENTERPRISE EXECUTIVE COMMITTEE

Regent Ridenour thanked President Cheng, her staff and the board office staff for their work in this meeting.

ADJOURNMENT

The meeting adjourned at 1:15 p.m.

Submitted by:

Katherine Linder
Secretary to the Board
The Arizona Board of Regents held a special meeting at Arizona State University Fulton Center, 300 E University Drive, Executive Conference Room on the 6th floor in Tempe, Arizona 85281 on November 2, 2017 at 5:00 p.m.

Present:  
Regent Ridenour  
Regent Shoopman (via phone)  
Regent Krishna  
Regent Heiler  
Regent Penley  
Regent Myers (via phone)  
Regent Manson  
Regent Taylor Robson (via phone)  
Regent Careaga  
Regent DeGravina

Absent:  
Superintendent Douglas and Governor Ducey

Also present were President Eileen Klein, Nancy Tribbensee, Jennifer Pollock, John Arnold and Kate Linder from the board office; President Robert Robbins, Laura Todd Johnson and Art Lee from the University of Arizona; President Cheng and Michelle Parker from Northern Arizona University; José Cárdenas from Arizona State University; and Paul Eckstine from Perkins Coie, LLP.

Regent Ridenour called the meeting to order at 5:00 p.m.

EXECUTIVE SESSION

Upon motion by Regent Heiler, seconded by Regent Penley, the board voted to move into executive session.

The board recessed to executive session at 5:05 p.m.

ADJOURNMENT

The meeting adjourned at 6:45 p.m.

Submitted by:

Suzanne Templin  
Assistant Secretary to the Board
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The Arizona Board of Regents held a special meeting at the Arizona Board of Regents office in Phoenix, Arizona on November 8, 2017 at 11:35 a.m.

Present: Regent Ridenour
Regent Shoopman (via phone)
Regent Heiler
Regent Penley (via phone)
Regent Manson (via phone)
Regent Taylor Robson (via phone)
Regent Careaga (via phone)

Absent: Regent Krishna, Regent Myers, Regent DeGravina, Superintendent Douglas and Governor Ducey

Also present were President Eileen Klein, Nancy Tribbensee, Jennifer Pollock, Kate Linder and Suzanne Templin from the board office; President Crow and Jose Cardenas from ASU; President Robbins, Jon Dudas and Laura Todd Johnson from the University of Arizona; President Cheng, Michelle Parker and Christy Farley from Northern Arizona University.

Regent Ridenour called the meeting to order at 11:35 a.m.

EXECUTIVE SESSION

Upon motion by Regent Ridenour, seconded by Regent Heiler, the board voted to move into executive session.

The board recessed to executive session at 11:35 a.m.

ADJOURNMENT

The meeting adjourned at 11:59 a.m.

Submitted by:

Suzanne Templin
Assistant Secretary to the Board
EXECUTIVE SUMMARY

Item Name: Report on the Business and Finance Committee Meeting

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: The board office asks the board to review the report of the January 25, 2018 Business and Finance Committee.

Enterprise or University Strategic Plan
☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☐ Other: Committee Report

Agenda Highlights
Business and Finance Committee
January 25, 2018

1. FY 2017 Annual Financial Reviews

Outcomes and Assignments:
- Discussed days cash on hand levels, including any restrictions ability to use or plans to use for strategic investments.
- Monitor impact of federal tax reform as it relates to philanthropic support.

2. Annual Capital Development Plan (ASU)

Outcomes and Assignments:
- In general, improve alignment and understanding of capital plan financing, and operation and maintenance funding requirements to
enrollment, tuition rate and other fund source assumptions in the OFR.
- The committee forwarded the proposed ASU Annual Capital Development Plan to the full board with a recommendation for approval.

3. **Lease Agreement for Office and Classroom Space at the Arizona Center (ASU)**

**Outcomes and Assignments:**
- Discussed value of level of investment to the quality of space needed for the program.
- The committee forwarded the proposed leases to the full board with a recommendation for approval.


**Outcomes and Assignments:**
- The committee forwarded the proposed changes to the NAU Capital Development Plan to the full board with a recommendation for approval.

5. **College of Pharmacy Skaggs Building Addition and Renovation Project Approval**

**Outcomes and Assignments:**
- Structural requirements to support addition new upper floors results in higher than average construction costs.
- The committee forwarded the proposed project to the full board with a recommendation for approval.

6. **Real estate Subcommittee Update**

**Outcomes and Assignments:**
- Develop scope of work to modernize ABOR policy and governance regarding real estate development and transactions that supports universities without micromanaging and recognizes role and impact
EXECUTIVE SUMMARY

of real estate development beyond the simple real estate transaction

Requested Action

This item is provided for information only. No action is required by the board.
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EXECUTIVE SUMMARY

Item Name: Annual Capital Development Plan (ASU)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: Arizona State University asks the board to approve its $590 million Capital Development Plan (CDP), which includes four new projects and two previously approved projects. No third-party projects are included in this CDP. Of the total, $550 million will be financed with debt, and the university debt ratio including CDP projects and first-year CIP projects will reach a maximum of 5.1% in FY 2021. ASU requests financing approval for the projects as outlined in the CDP.

Previous Board Action

- FY 2018 Capital Development Plan June 2017
  - Hayden Library Reinvention
  - Health Solutions Innovation Center
- FY 2019-2021 Capital Improvement Plan September 2017
  - Interdisciplinary Science and Technology Building (ISTB) 7
  - Biomedical Laboratory Research Building Improvements
  - Durham Language and Literature Building Renovation
  - Wells Fargo Arena Renovation and New Multi-Purpose Arena

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real Property Purchase/Sale/Lease
☐ Other:

Contact Information:
Morgan R. Olsen, Executive Vice President, Treasurer and CFO • (480) 727-9920 • Morgan.R.Olsen@asu.edu
Statutory/Policy Requirements

- Pursuant to Arizona Board of Regents Policy Chapter 7-107, each university shall submit an annual Capital Development Plan (CDP) for the upcoming year in accordance with the calendar approved by the President of the Board.

- Capital Development Plans are reviewed by the Business and Finance Committee and approved by the Board.

- Approval of the CDP allows universities to complete design and planning, execute construction and financing agreements, and begin construction as outlined in policy.

Prior Year Activity

- Two university projects totaling $49.025 million were substantially completed within the last 12 months. Additionally, a third-party project was completed.

- Six university projects totaling $483.808 million began or continued construction activity in the last 12 months. Additionally, a third-party project is underway.

- Details on completed and ongoing projects are listed in Exhibit 1.

Overview and Alignment with Enterprise and University Goals and Objectives:

- ASU has developed the CDP to align with the university’s campus master plan and the system enterprise and university strategic goals and objectives. The ASU CDP includes six projects totaling $590.0 million that are the highest priorities for achieving institutional goals, as described below:
  - Increasing total student enrollment
  - Improving freshman retention
  - Achieving an increase in degree production
  - Expanding research performance and annual research expenditures
  - Enhancing local impact and social embeddedness

- Academic Success: These projects will contribute directly to advancing the twin pillars of academic success: leadership in academic excellence and accessibility and establishing national standing in academic quality. Specifically, these new and renovated facilities will provide programmatic and support space necessary to achieve the goals and metrics of:
EXECUTIVE SUMMARY

- increase total enrollment to 125,005 by 2025
- improve the freshman retention rate to 90% by 2025
- increase the six-year graduation rate to 75% by 2025
- increase the number of bachelor’s degrees awarded to 21,430 and graduate degrees awarded to 10,670 by 2025.

- **Research and Development Grants:** University research expenditures are used in part to purchase local goods and services; help create new companies and jobs; support the development of next-generation scientists and innovators; and attract top research talent to the faculty. Research and development expenditures also support the state’s competitive advantage in science, technology, and medicine. Research revenues are targeted to increase by more than $815 million or eighty percent by 2025 to meet the goals of the ABOR 2025 Vision plan.

- **Campus Operations and Infrastructure Priorities:** In order for the university to advance its academic and research goals, the facilities and related infrastructure must be maintained in safe, operational condition. Buildings and utility systems also must be efficient and cost-effective to maximize the use of operational funds over time. Critical maintenance and renovations cannot fall behind, despite the absence of state building renewal funding support.

- **Life Safety and Code Compliance:** Life safety and code compliance matters take the highest priority in ensuring a safe environment for students, faculty, staff and visitors and to support the achievement of the university’s academic and research goals. Safety and code compliance issues must be resolved promptly.

- **Community Service Opportunities:** Engaging and serving Arizona communities is an integral aspect of the university’s mission and its programs. Enhancing and expanding these community service and outreach programs and activities is vital to improving the quality of life and the economic prosperity in Arizona.

- **Capital Infrastructure Fund:** The annual CDP includes the first four projects that will benefit from the recently enacted Capital Infrastructure Fund (CIF) to provide annual funding for capital projects, matched with university funds. These high-priority projects include two new research facilities that support establishing the university as a leading global center for interdisciplinary research and for advancing the transformation of medical education, along with the reinvention and renovation of two existing facilities to address critical deferred maintenance.
Capital Development Plan Projects:

- The following lists the new and previously approved projects proposed for CDP approval:
  - Interdisciplinary Science and Technology Building (ISTB) 7
  - Biomedical Research Laboratory Building Improvements
  - Durham Language and Literature Building Renovation
  - Wells Fargo Arena Renovation and New Multi-Purpose Arena
  - Hayden Library Reinvention (Previously Approved)
  - Health Solutions Innovation Center (Previously Approved)

- Additional detail on project costs, financing, and scope can be found in Exhibits 2 and 3 and the individual Project Justification Reports.

Fiscal Impact and Management:

- The ASU CDP, if fully implemented, will cost a total of $590.0 million.
- Of the total amount, $550.0 will be financed using debt.

- ASU will:
  (a) sell one or more series of System Revenue Bonds to finance five projects as identified in Exhibit 2, costs of issuance, and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
  (b) sell bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest; and
  (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements.

- **Debt Ratio Impact**: Based upon projects included in this CDP and the first year of the CIP, the debt ratio is expected to reach its maximum in FY 2021 at 5.1 percent excluding SPEED debt. If SPEED debt is included, the FY 2021 debt ratio is 5.5 percent.

- Exhibits 2, 3 and 4 provide detailed project financing, funding sources and debt ratio impact.
Committee Review and Recommendation

The Business and Finance Committee reviewed this item at its January 25, 2018 meeting and recommended forwarding to the full board for approval.

Requested Action

Arizona State University asks the board to approval its Capital Development Plan and Financing Approval, as presented in this Executive Summary.
## EXHIBIT 1
Arizona State University
Annual Capital Project Status Report

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Square Feet</th>
<th>Total Budget</th>
<th>Percent Work Completed</th>
<th>Percent Total Expended</th>
<th>Percent to Gift Target</th>
<th>Date Last Board Approval</th>
<th>Original/Revised Occupancy Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armstrong Hall/Ross-Blakley Library Renovation*</td>
<td>167,000</td>
<td>$26,000,000</td>
<td>85</td>
<td>59</td>
<td>N/A</td>
<td>2/2/2017</td>
<td>5/18/2018</td>
</tr>
<tr>
<td>Biodesign C</td>
<td>188,447</td>
<td>$120,000,000</td>
<td>74</td>
<td>69</td>
<td>N/A</td>
<td>4/6/2016</td>
<td>8/10/2018</td>
</tr>
<tr>
<td>Central Plant Emergency Power System Upgrades</td>
<td>21,989</td>
<td>$5,828,000</td>
<td>50</td>
<td>22</td>
<td>N/A</td>
<td>9/23/2016</td>
<td>10/12/2018</td>
</tr>
<tr>
<td>Central Plant Chilled Water System Optimization</td>
<td>21,989</td>
<td>$10,380,000</td>
<td>87</td>
<td>79</td>
<td>N/A</td>
<td>6/9/2016</td>
<td>2/28/2018</td>
</tr>
<tr>
<td>Greek Leadership Village Community Center</td>
<td>30,666</td>
<td>$14,000,000</td>
<td>43</td>
<td>22</td>
<td>N/A</td>
<td>6/9/2017</td>
<td>7/3/2018</td>
</tr>
<tr>
<td>Sun Devil Stadium Renovation **</td>
<td>813,953</td>
<td>$307,600,000</td>
<td>68</td>
<td>68</td>
<td>90%</td>
<td>9/28/2017</td>
<td>8/31/2018</td>
</tr>
<tr>
<td>Greek Leadership Village</td>
<td>309,000</td>
<td></td>
<td>58</td>
<td></td>
<td>N/A</td>
<td>11/17/2016</td>
<td>7/31/2018</td>
</tr>
<tr>
<td>Gammage Auditorium</td>
<td>10,000</td>
<td>$9,125,000</td>
<td>100</td>
<td>100</td>
<td>99%</td>
<td>6/9/2016</td>
<td>3/10/2017</td>
</tr>
<tr>
<td>Student Pavilion</td>
<td>74,653</td>
<td>$39,900,000</td>
<td>100</td>
<td>98</td>
<td>N/A</td>
<td>11/19/2015</td>
<td>8/7/2017</td>
</tr>
<tr>
<td>Fulton Schools Residential Community at Tooker House</td>
<td>450,000</td>
<td></td>
<td>100</td>
<td></td>
<td>N/A</td>
<td>6/4/2015</td>
<td>8/15/2017</td>
</tr>
</tbody>
</table>

* The Board approved the combination of these projects in order to capture efficiencies in the project design and construction process. The renovation of Ross-Blakley Library was substantially completed on 9/14/2017. ** This project budget and schedule reflects all phases of the overall Sun Devil Stadium Renovation project. The Sun Devil Stadium Renovation project will be completed in three phases with a total budget of $307,600,000.
### EXHIBIT 2

**Arizona State University**  
Annual Capital Development Plan

<table>
<thead>
<tr>
<th>Project</th>
<th>Board Approval Status</th>
<th>Gross Square Footage</th>
<th>Project Cost</th>
<th>Amount Financed</th>
<th>Funding Method</th>
<th>Annual Debt Service</th>
<th>Debt Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Academic/Support Project</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Interdisciplinary Science and Technology Building 7</td>
<td>CIP Sept 2017</td>
<td>258,000</td>
<td>$175,000,000</td>
<td>$175,000,000</td>
<td>System Revenue Bonds</td>
<td>$9,700,000</td>
<td>0.32%</td>
</tr>
<tr>
<td>ASUD - Biomedical Research Laboratory Building Improvements</td>
<td>Ground Lease Nov 2017</td>
<td>112,000</td>
<td>$40,000,000</td>
<td></td>
<td>General University Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Durham Language and Literature Building Renovation</td>
<td>CIP Sept 2017</td>
<td>137,000</td>
<td>$45,000,000</td>
<td>$45,000,000</td>
<td>System Revenue Bonds</td>
<td>$2,253,000</td>
<td>0.07%</td>
</tr>
<tr>
<td><strong>New Auxiliary Project</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Wells Fargo Arena Renovation and New Multi-Purpose Arena</td>
<td>CIP Sept 2017</td>
<td>405,000</td>
<td>$160,000,000</td>
<td>$160,000,000</td>
<td>System Revenue Bonds</td>
<td>$10,408,000</td>
<td>0.33%</td>
</tr>
<tr>
<td><strong>New Project Total</strong></td>
<td>912,000</td>
<td>$420,000,000</td>
<td>$380,000,000</td>
<td></td>
<td></td>
<td>$22,361,000</td>
<td>0.72%</td>
</tr>
<tr>
<td><strong>Previously Approved Academic/Support Project</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Hayden Library Reinvention</td>
<td>CDP June 2017</td>
<td>240,000</td>
<td>$90,000,000</td>
<td>$90,000,000</td>
<td>System Revenue Bonds</td>
<td>$5,376,000</td>
<td>0.19%</td>
</tr>
<tr>
<td>ASU - Health Solutions Innovation Center</td>
<td>CDP June 2017</td>
<td>150,000</td>
<td>$80,000,000</td>
<td>$80,000,000</td>
<td>System Revenue Bonds</td>
<td>$5,440,000</td>
<td>0.19%</td>
</tr>
<tr>
<td><strong>Previously Approved Project Total</strong></td>
<td>390,000</td>
<td>$170,000,000</td>
<td>$170,000,000</td>
<td></td>
<td></td>
<td>$10,816,000</td>
<td>0.38%</td>
</tr>
<tr>
<td><strong>Total CDP</strong></td>
<td>1,302,000</td>
<td>$590,000,000</td>
<td>$550,000,000</td>
<td></td>
<td></td>
<td>$33,177,000</td>
<td>1.10%</td>
</tr>
</tbody>
</table>
### Arizona State University
**Annual Debt Service by Funding Source**

#### CAPITAL DEVELOPMENT PLAN - ANNUAL DEBT SERVICE BY FUNDING SOURCE

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount Financed</th>
<th>CIF</th>
<th>TUI</th>
<th>AUX</th>
<th>ICR</th>
<th>OLF</th>
<th>SLP</th>
<th>FGT</th>
<th>DFG</th>
<th>OTH</th>
<th>TOTAL ANNUAL DEBT SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Academic/Support Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Interdisciplinary Science and Technology Building 7</td>
<td>$175,000,000</td>
<td>$4,850,000</td>
<td>$4,850,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$9,700,000</td>
</tr>
<tr>
<td>ASUD - Biomedical Research Laboratory Building Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Durham Language and Literature Renovation</td>
<td>$45,000,000</td>
<td>$1,126,500</td>
<td>$1,126,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,253,000</td>
</tr>
<tr>
<td>New Auxiliary Project</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Wells Fargo Arena Renovation and New Multi-Purpose Arena</td>
<td>$160,000,000</td>
<td></td>
<td>$8,741,000</td>
<td></td>
<td>$1,667,000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$10,408,000</td>
</tr>
<tr>
<td>New Project Total</td>
<td>$380,000,000</td>
<td>$5,976,500</td>
<td>$5,976,500</td>
<td>$8,741,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$1,667,000</td>
<td>$0</td>
<td>$22,361,000</td>
<td></td>
</tr>
<tr>
<td>Previously Approved Academic/Support Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASUT - Hayden Library Reinvention</td>
<td>$90,000,000</td>
<td>$1,181,000</td>
<td>$4,195,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,376,000</td>
</tr>
<tr>
<td>ASU - Health Solutions Innovation Center</td>
<td>$80,000,000</td>
<td>$2,720,000</td>
<td>$2,720,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,440,000</td>
</tr>
<tr>
<td>Previous Approved Project Total</td>
<td>$170,000,000</td>
<td>$3,901,000</td>
<td>$6,915,000</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$10,816,000</td>
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<tr>
<td>Total</td>
<td>$550,000,000</td>
<td>$9,877,500</td>
<td>$12,891,500</td>
<td>$8,741,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$1,667,000</td>
<td>$0</td>
<td>$33,177,000</td>
<td></td>
</tr>
</tbody>
</table>

**Funding Source Codes:**
- (CIF) Capital Infrastructure Fund
- (TUI) Tuition
- (AUX) Auxiliary
- (ICR) Indirect Cost Recovery
- (OLF) Other Local Funds
- (FGT) Federal Grant
- (DFG) Debt Financed by Gifts
- (OTH) Other

### EXHIBIT 3
Arizona State University
## Executive Summary

### Operation and Maintenance by Funding Source

<table>
<thead>
<tr>
<th>Project</th>
<th>TOTAL ANNUAL O&amp;M</th>
<th>CIF</th>
<th>TUI</th>
<th>AUX</th>
<th>ICR</th>
<th>OLF</th>
<th>GFA</th>
<th>FGT</th>
<th>DFG</th>
<th>OTH</th>
<th>TOTAL ANNUAL O&amp;M</th>
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</thead>
<tbody>
<tr>
<td>New Academic Support Project</td>
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</tr>
<tr>
<td>ASUT - Interdisciplinary Science and Technology Building 7</td>
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<td>ASUD - Biomedical Research Laboratory Building Improvements</td>
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<td>ASUT - Durham Language and Literature Building Renovation</td>
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<tr>
<td>New Auxiliary Project</td>
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<tr>
<td>ASUT - Wells Fargo Arena Renovation and New Multi-Purpose Arena</td>
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<td></td>
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<td>$96,343</td>
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<tr>
<td>ASU - Health Solutions Innovation Center</td>
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<td></td>
<td></td>
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<td>$6,921,035</td>
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</table>

**Funding Source Codes:**
- CIF: Capital Infrastructure Fund
- TUI: Tuition
- AUX: Auxiliary
- ICR: Indirect Cost Recovery
- OLF: Other Local Funds
- GFA: General Fund Appropriation
- OTH: Other
- FGT: Federal Grant
- DFG: Debt Financed by Gifts

Board of Regents Meeting
February 8-9, 2018
Item #14
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EXHIBIT 4
Debt Capacity Update

PURPOSE
To demonstrate Arizona State University’s ability to finance additional capital investment through debt instruments and to fund the related debt service (principal and interest).

PROJECTED DEBT CAPACITY

Based upon the projects included in this CDP and the first year of the CIP, the maximum projected debt ratio is 5.1 percent in FY 2021, relative to the statutory debt limit of 8 percent. Outstanding debt in FY 2021 is projected to be $1.96 billion, with total annual debt service of $152.0 million. The 5.1 percent ratio is within the range used by bond rating firms to confirm an institution’s creditworthiness and is below the 8 percent statutory maximum.

Currently outstanding (issued) debt declines from $1.6 billion in FY 2018 to $0.9 billion in FY 2027 as debt is retired. Outstanding planned debt includes future financings of projects presented in this annual CDP and those included in the first year of the 2019-2021 CIP. Additional debt capacity represents debt that can be issued in any given year based on the statutory 8 percent debt ratio maximum.

FUTURE PROJECTS

Future debt-financed projects include those in this annual Capital Development Plan (CDP), and those included in the first year of the FY 2019-21 Capital Improvement Plan (CIP). These projects are included in the future Debt Capacity assumptions.

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount to be Financed</th>
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<tbody>
<tr>
<td>Tempe Campus Parking Structure</td>
<td>$30,000,000</td>
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<tr>
<td>Durham Language and Literature Building Renovations</td>
<td>$45,000,000</td>
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<tr>
<td>Health Solutions Innovation Center</td>
<td>$80,000,000</td>
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<td>Hayden Library Renovation</td>
<td>$90,000,000</td>
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<tr>
<td>Wells Fargo Arena Renovation and New Multi-Purpose Arena</td>
<td>$160,000,000</td>
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<tr>
<td>Interdisciplinary Science and Technology Bldg. (ISTB) 7</td>
<td>$175,000,000</td>
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</table>

Total
$580,000,000
CREDIT RATINGS

Positive rating factors cited by the agencies include ASU’s rapid growth and increasing brand recognition, robust revenue growth, good budgetary oversight, consistent operating surpluses, healthy cash flow, strategic reinvestment, and stable debt service support from the State of Arizona.

Offsetting factors identified by the agencies include high debt levels, narrow reserves relative to debt, weak state funding, and limited revenue diversity.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Moody's Rating</th>
<th>Outlook</th>
<th>Standard &amp; Poor's Rating</th>
<th>Outlook</th>
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<td>2012</td>
<td>Aa3</td>
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<tr>
<td>2014</td>
<td>Aa3</td>
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<tr>
<td>2015</td>
<td>Aa3</td>
<td>Stable</td>
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<td>2018</td>
<td>Aa2</td>
<td>Stable</td>
<td>AA</td>
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</table>

RATIO OF DEBT SERVICE TO TOTAL EXPENSES

Annual debt service on system revenue bonds and COPs is projected to increase from $101.7 million in FY 2017 to a maximum of $159.3 million in FY 2024. The ratio of debt service to total expenses is expected to reach maximum in FY 2021 at 5.1 percent.

SPEED (Stimulus Plan for Economic and Educational Development) bonds are funded up to 80 percent by state lottery revenues, with the balance funded by the University. SPEED debt service is excluded from the statutory debt ratio, but if SPEED debt service of $11.9 million is included, the highest projected debt ratio increases to 5.5 percent.
EXHIBIT A
Tempe Campus Site Location Map
EXHIBIT B
Downtown Phoenix Campus Site Location Map
EXHIBIT C
Phoenix Area Site Location Map
EXECUTIVE SUMMARY

Arizona Board of Regents
Arizona State University
Capital Development Plan Project Justification Report
Interdisciplinary Science and Technology Building (ISTB) 7

Previous Board Action:

- FY 2019-21 Capital Improvement Plan September 2017

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires committee review and board approval of all capital projects with an estimated total project cost of $10,000,000 or more for new construction.

Project Justification/Description/Scope

- This project will construct a new, approximately 258,000 gross-square-foot, high-performance research facility that will be a significant addition to the university’s growing research district on the Tempe campus. The facility will be designed to foster an interdisciplinary approach to knowledge generation and leading-edge research, including innovative endeavors focusing on the sustainability of food, water and energy.

- ISTB 7 will serve as a new gateway to the Tempe campus, located immediately adjacent to the light rail station and the larger research district, including the Biodesign Institute and the future Novus Innovation Corridor. The site location is depicted on the map attached hereto as Exhibit D. ISTB 7 is in an ideal location to transcend academic disciplines and to connect world-class research with commerce and business applications that will fuel economic growth.

- This leading-edge facility will serve as the new home for the Global Institute of Sustainability and the Institute of Human Origins, which has outgrown its existing space. The School of Sustainability is part of the Julie Ann Wrigley Global Institute of Sustainability, which serves as the hub of ASU’s sustainability initiatives. The institute advances research, education and business practices for an urbanizing world. The School’s course of study emphasizes experiential learning, research with faculty, corporate and K-12 work, community service and leadership development.

- The Institute of Human Origins is one of the leading research organizations devoted to the science of human origins. Embedded within ASU’s School of Human Evolution...
and Social Change, the Institute pursues a transdisciplinary strategy for field and analytical paleoanthropological research. This research is central to its founding mission of integrating social, earth, and life science approaches to the most important questions concerning the course, timing and causes of human evolutionary change over deep time.

- Open dry, robust research laboratory space for computing, engineering design and fabrication, as well as wet laboratory or other specialized space for biological sciences, will be included in this project to advance the ambitious research goals of the university. The facility also will include university classrooms and numerous adaptable student workspaces to stimulate and facilitate intellectual contributions to global future outcomes.

- ISTB 7 will have public outreach and exhibit spaces to put “science on display,” including a large auditorium and smaller meeting rooms to facilitate public and special events. The spaces will be both public and porous to convey and demonstrate the research and ideas generated within.

- This project will support the primary institutional priority of establishing the university as a leading global center for interdisciplinary research, discovery and development by 2025:
  - Become the leading American center for discovery and scholarship in the integrated social sciences and comprehensive arts and sciences
  - Enhance research competitiveness to more than $815 million in annual research expenditures
  - Transform regional economic competitiveness through research and discovery and value-added programs
  - Become a leading American center for innovation and entrepreneurship at all levels

Project Delivery Method and Process:

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to provide contractor design input and coordination throughout the project, alleviate potentially adversarial project environments and allow for the selection of the most qualified contractor team. With the use of two independent cost estimates at each phase and pre-qualified, low-bid subcontractor work for the actual construction, CMAR project delivery also provides a high level of cost and quality control.

- ASU has selected Architekton-Grimshaw as the Design Professional (DP) team for this project and McCarthy Building Companies, Inc. as the CMAR. The selection
process for the DP included twenty-three responses and four firms were interviewed. During the CMAR selection process, there were nine submittal responses and four contractors were interviewed.

Project Status and Schedule

- Site demolition and utility work is scheduled to begin when the CMAR’s Guaranteed Maximum Price is complete and after all approvals are in place. Construction will follow and is scheduled for completion in November 2020.

Project Cost

- The budget for this 258,000 gross-square-foot project is $175.0 million. The budget represents an estimated construction cost of $488 per gross square foot. The estimated total project cost is $678 per gross square foot.

- The CMAR will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan:

- The $175.0 million project budget will be funded with system revenue bonds. Debt service will be funded by the State of Arizona Capital Infrastructure Fund and matched with university funds.

- Operations and maintenance costs for this project are estimated at $3,188,410 annually and will be funded by tuition.

- **Debt Ratio Impact**: The projected incremental debt ratio impact for this project is 0.32 percent.

Occupancy Plan

- When the Global Institute of Sustainability and School of Sustainability relocate to ISTB 7, the backfill plan will include the relocation of the School for the Future of Innovation in Society into their current Wrigley Hall location. Occupancy of ISTB 7 is scheduled for January 2021.

Exhibit

- Exhibit D - Site Location Map
Capital Project Information Summary

**University:** Arizona State University  
**Project Name:** Interdisciplinary Science and Technology Building (ISTB) 7

**Project Description and Location:** This project, as depicted on the attached map as Exhibit D, will construct a new, approximately 258,000 gross-square-foot, high-performance research facility that will be a significant addition to the university’s growing research district on the Tempe campus. The facility will be designed to foster an interdisciplinary approach to knowledge generation and leading-edge research.

**Project Schedule:**
- **Planning:** January 2018
- **Design Start:** May 2018
- **Construction Start:** October 2018
- **Construction Completion:** November 2020

**Project Budget:**
- **Total Project Cost:** $175,000,000
- **Total Project Construction Cost:** $126,015,660
- **Total Project Cost per GSF:** $678
- **Construction Cost per GSF:** $488

**Change in Annual O & M Cost:**
- **Utilities:** $1,563,438
- **Personnel:** 459,355
- **All Other Operating:** 1,165,617
  - **Subtotal:** $3,188,410

**Funding Sources:**

**Capital**
- **A. System Revenue Bonds:** $175,000,000

**Debt Service Funding Sources:**
- **Tuition**
- **Capital Infrastructure Fund**

**Operation/Maintenance**
- **$3,188,410**

**Funding Source:** Tuition
## Capital Project Budget Summary

**University:** Arizona State University  
**Project:** Interdisciplinary Science and Technology Building (ISTB) 7

### Capital Costs

1. **Land Acquisition**
2. **Construction Cost**
   - A. New Construction: $120,175,000
   - B. Tenant Improvements
     - C. Special Fixed Equipment: 2,032,860
   - D. Site Development (excl. 2.E.): 2,675,000
   - E. Parking and Landscaping: 1,000,000
   - F. Utilities Extensions
   - G. Other* (Demolition/abatement): 132,800

   **Subtotal Construction Cost:** $126,015,660

3. **Fees**
   - A. CMAR Pre-Construction: 1,892,860
   - B. Architect/Engineer: 15,773,832
   - C. Other: 2,550,390

   **Subtotal Consultant Fees:** $20,217,082

4. **FF&E Movable:** 7,210,500
5. **Contingency, Design Phase:** 6,008,750
6. **Contingency, Constr. Phase:** 6,008,750
7. **Parking Reserve**
8. **Telecommunications Equipment:** 4,124,250

   **Subtotal Items 4-8:** $23,352,250

9. **Additional University Costs**
   - A. Surveys, Tests, Haz. Mat. Abatement: $175,000
   - B. Move-in Costs: 50,000
   - C. Printing Advertisement: 35,000
   - D. Keying, signage, facilities support: 10,000
   - E. Project Management Cost: 4,561,908
   - F. State Risk Mgt. Ins. (.0034 **) : 583,100

   **Subtotal Addl. Univ. Costs:** $5,415,008

**Total Capital Cost:** $175,000,000

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* Universities shall identify items included in this category

** State Risk Management Insurance factor is calculated on construction costs and consultant fees.
EXHIBIT D
Interdisciplinary Science and Technology Building (ISTB) 7
Site Location Map
Arizona Board of Regents  
Arizona State University  
Capital Development Plan Project Justification Report  
Biomedical Research Laboratory Building Improvements

Previous Board Action:

- Board approval of ground sublease with Wexford Science and Technology for development of laboratory research building on Phoenix Biomedical campus and ASU lease of approximately 112,000 square feet of space within the building (November 2017)

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires committee review and board approval of all renovation or infrastructure capital projects with an estimated total project cost of $10,000,000 or more.

Project Justification/Description/Scope

- This project will provide tenant improvements, furniture, fixtures, and equipment for approximately 112,000 gross square feet of ASU laboratory research and related space. This space will be leased in the Wexford Science and Technology building to be developed on the Phoenix Biomedical Campus at the southeast corner of Fourth and Garfield Streets in downtown Phoenix, as depicted on the map attached hereto as Exhibit “E.”

- The project will provide necessary laboratory space to meet the research needs of faculty and students in the College of Health Solutions and the College of Nursing and Health Innovation, as well as provide expansion space in downtown Phoenix for the Biodesign Institute and other university research initiatives.

- Locating this research on the Phoenix Biomedical Campus provides greater opportunities for health and bioscience research collaboration with the other entities on the campus and other clinical research partners. This will allow ASU to continue to grow its health and bioscience research presence in downtown Phoenix and reach its ABOR-adopted research goals. It also will anchor the development of a Health and Bioscience Innovation District on the approximately seven acres of Biomedical campus land owned by the City of Phoenix. This land is designated for approximately 1.5 million square feet of mixed tenant research, education and innovation space.
Project Delivery Method and Process:

- The building developer, Wexford Science and Technology, has privately selected a Design Professional (DP) and Construction Manager at Risk (CMAR) for the building. This team will design and construct the improvements inside the building, under the direction of the developer, to meet ASU's specifications. The lease will include a reimbursement to the developer for tenant improvement costs as they are incurred. This method of delivery ensures the most economical and efficient delivery of improvements that will occur simultaneously with the design and construction of the building itself.

Project Status and Schedule

- The DP and CMAR have been selected by the developer and the schematic design of the building is underway. The tenant improvement project will begin design upon board approval.

- Construction is scheduled to begin in August 2018 after all approvals are in place. Construction on all project components is scheduled for substantial completion by the end of 2019.

Project Cost

- The budget for this project is $40.0 million. The budget represents an estimated construction cost of $254 per gross square foot. The estimated total project cost is $357 per gross square foot.

- The Developer will be at risk to provide the completed project with an agreed-upon Guaranteed Maximum Price.

- The lease will include a reimbursement to the developer for tenant improvement costs as they are incurred.

Fiscal Impact and Financing Plan:

- The $40.0 million project budget will be funded with general university funds.

- Per the lease agreement approved by the board in November 2017, ASU will be responsible for the annual operation and maintenance costs for the incremental space associated with this project, estimated at $1.0 million. These costs will be funded by general university funds.
• This project would have no impact on incremental debt ratio, as it will not be debt financed.

**Occupancy Plan**

• This project includes primarily new space to support research growth. Occupancy will be scheduled upon project completion at year-end 2019.

**Exhibit**

• Exhibit E - Site Location Map
Capital Project Information Summary

**University:** Arizona State University  **Project Name:** Biomedical Research Laboratory Building Improvements

**Project Description and Location:** This project will provide tenant improvements, furniture, fixtures, and equipment for approximately 112,000 gross square feet of ASU laboratory research and related space. This space will be leased in the Wexford Science and Technology building to be developed on the Phoenix Biomedical Campus, at the southeast corner of Fourth and Garfield Streets in downtown Phoenix, as depicted on the map attached hereto as Exhibit E.

**Project Schedule:**
- Planning: September 2017
- Design Start: February 2018
- Construction Start: August 2018
- Construction Completion: December 2019

**Project Budget:**
- Total Project Cost: $40,000,000
- Total Project Construction Cost: $28,459,200
- Total Project Cost per GSF: $357
- Construction Cost per GSF: $254

**Change in Annual O & M Cost:**
- Utilities: $
- Personnel: $
- All Other Operating:
  - Subtotal: $1,000,000

**Funding Sources:**

**Capital**
- A. General University Funds: $40,000,000

**Operation/Maintenance:** $1,000,000
- Funding Source: General University Funds
## Capital Project Budget Summary

**University:** Arizona State University  
**Project:** Biomedical Research Laboratory Building Improvements

### Capital Development Plan

<table>
<thead>
<tr>
<th>Capital Costs</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
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<td>1. Land Acquisition</td>
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<tr>
<td>2. Construction Cost</td>
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</tr>
<tr>
<td>A. New Construction</td>
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<tr>
<td>B. Tenant Improvements</td>
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<tr>
<td>C. Special Fixed Equipment</td>
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<td>D. Site Development (excl. 2.E.)</td>
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<td>E. Parking and Landscaping</td>
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<td>F. Utilities Extensions</td>
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<tr>
<td>G. Other* (Demolition/abatement)</td>
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<td>Subtotal Construction Cost</td>
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<td>3. Fees</td>
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<td>A. CMAR Pre-Construction</td>
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<td>B. Architect/Engineer</td>
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<td>4. FF&amp;E Movable</td>
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<td>5. Contingency, Design Phase</td>
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<td>6. Contingency, Constr. Phase</td>
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<td>7. Parking Reserve</td>
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<td>8. Telecommunications Equipment</td>
<td>1,707,552</td>
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<td>Subtotal Items 4-8</td>
<td>$6,261,021</td>
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<td>9. Additional University Costs</td>
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<td>A. Surveys, Tests, Haz. Mat. Abatement</td>
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<tr>
<td>B. Move-in Costs</td>
<td>50,000</td>
</tr>
<tr>
<td>C. Printing Advertisement</td>
<td>35,000</td>
</tr>
<tr>
<td>D. Keying, signage, facilities support</td>
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<tr>
<td>E. Project Management Cost</td>
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<td>F. State Risk Mgt. Ins. (.0034 **)</td>
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* Universities shall identify items included in this category  
** State Risk Management Insurance factor is calculated on construction costs and consultant fees.
Exhibit E
Biomedical Research Laboratory Building Improvements
Downtown Phoenix Site Location Map
Arizona Board of Regents
Arizona State University
Capital Development Plan Project Justification Report
Durham Language and Literature Building Renovation

Previous Board Action:

- FY 2020-21 Capital Improvement Plan September 2017

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires committee review and board approval of all renovation or infrastructure capital projects with an estimated total project cost of $10,000,000 or more.

Project Justification/Description/Scope

- This project will provide needed renovations to the Durham Language and Literature Building, located prominently on the Tempe campus near the intersection of University Drive and College Avenue, as depicted on the map attached hereto as Exhibit F. The building is over fifty years old and requires modernization and upgrades to all building infrastructure systems to meet the current building and life safety codes and to advance the university’s mission of academic excellence.

- The project will encompass all six floors and the basement of the building. The south wing of the building, consisting of two floors above grade and a basement, and the center tower, consisting of six floors above grade and a basement, were built in 1964. The north wing of the building was built in 1972 and consists of four floors above grade and a basement. The combined total building area is approximately 137,000 gross square feet, which will remain unchanged in this project.

- The project scope includes some demolition of original flooring, walls and ceilings, as well as removal of asbestos-containing materials. The existing building systems, including mechanical, plumbing and electrical, are beyond their useful life and will be replaced with energy-efficient systems. The project will install fire sprinklers and fire alarms and will enhance data, security, audio-visual and building management systems. Existing original restrooms will be upgraded to comply with Americans with Disabilities Act (ADA) accessibility requirements. Exterior building surfaces also will be repaired to provide a weather-tight enclosure.
EXECUTIVE SUMMARY

- The guiding principles of the project include modernizing, maximizing and enhancing the existing spaces for students to connect, collaborate and learn; improving overall accessibility; and updating building technology and comfort.

- The transformation of the Durham Language and Literature Building into an innovative, state-of-the-art learning center will support the university and ABOR goals of advancing student learning and educational success. The renovation of this facility also will support the establishment of the university as a leading global center for interdisciplinary scholarship and discovery.

Project Delivery Method and Process:

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to provide contractor design input and coordination throughout the project, alleviate a potentially adversarial project environment and allow for the selection of the most qualified contractor team. With the use of two independent cost estimates at each phase and pre-qualified, low-bid subcontractor work for the actual construction, CMAR project delivery also provides a high level of cost and quality control.

Project Status and Schedule

- General construction is scheduled to begin when the design is complete and after all approvals are in place. This project is expected to be completed in phases in order to minimize disruption to the over forty university classrooms currently housed in the building. Construction on all project components is scheduled for substantial completion in the summer of 2021.

Project Cost

- The budget for this 137,067 gross-square-foot project is $45.0 million. The budget represents an estimated construction cost of $229 per gross square foot. The estimated total project cost is $328 per gross square foot.

- The CMAR will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan:

- The $45.0 million project budget will be funded with system revenue bonds. Debt service will be funded by the State of Arizona Capital Infrastructure Fund and matched with university funds.
EXECUTIVE SUMMARY

- The annual operation and maintenance costs for the incremental space associated with this project are not expected to increase.

- **Debt Ratio Impact**: The projected incremental debt ratio impact for this project is 0.07 percent.

**Occupancy Plan**

- The Department of English in the College of Liberal Arts and Sciences recently vacated 24,000 square feet of space in the building to relocate to another facility on campus. This move enables the current building tenant, the School of International Letters and Cultures, to expand their department spaces to accommodate program growth, as well as to consolidate their associated student outreach centers within the same building.

**Exhibit**

- Exhibit “F” - Site Location Map
**Capital Project Information Summary**

**University:** Arizona State University  
**Project Name:** Durham Language and Literature Building Renovation

**Project Description and Location:** This project will provide needed renovations to the Durham Language and Literature Building, located prominently on the Tempe campus near the intersection of University Drive and College Avenue, as depicted on the map attached hereto as Exhibit F. The building is over fifty years old and requires modernization and upgrades to all building infrastructure systems to meet the current building and life safety codes and to advance the university’s mission of academic excellence.

**Project Schedule:**

- Planning: January 2018
- Design Start: September 2018
- Construction Start: May 2019
- Construction Completion: July 2021

**Project Budget:**

- Total Project Cost: $45,000,000
- Total Project Construction Cost: $31,403,000
- Total Project Cost per GSF: $328
- Construction Cost per GSF: $229

**Change in Annual O & M Cost:**

- Utilities: $0
- Personnel: $0
- All Other Operating: $0
- Subtotal: $0

**Funding Sources:**

**Capital**

- A. System Revenue Bonds: $45,000,000

**Debt Service Funding Sources:**

- Tuition
- Capital Infrastructure Fund

**Operation/Maintenance:**

- $0

Funding Source:
**Capital Project Budget Summary**

**University:** Arizona State University

**Project:** Durham Language and Literature Building Renovation

<table>
<thead>
<tr>
<th>Capital Development Plan</th>
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</thead>
<tbody>
<tr>
<td>Capital Costs</td>
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<tr>
<td>1. Land Acquisition</td>
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<td>D. Site Development (excl. 2.E.) $100,000</td>
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<td>E. Parking and Landscaping $31,403,000</td>
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<tr>
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<td>6. Contingency, Constr. Phase $1,830,402</td>
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<td>7. Parking Reserve</td>
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<td>8. Telecommunications Equipment $915,201</td>
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<td>Subtotal Items 4-8       $6,315,273</td>
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<td>9. Additional University Costs</td>
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<td>B. Move-in Costs $50,000</td>
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<td>C. Printing Advertisement $35,000</td>
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<td>D. Keying, signage, facilities support $10,000</td>
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<td>E. Project Management Cost $1,173,060</td>
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<td>F. State Risk Mgt. Ins. (.0034 **) $149,940</td>
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<td><strong>Total Capital Cost</strong>   $45,000,000</td>
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* Universities shall identify items included in this category

**State Risk Management Insurance factor is calculated on construction costs and consultant fees.**
EXHIBIT F
Durham Language and Literature Building Renovation
Site Location Map
Arizona Board of Regents
Arizona State University
Capital Development Plan Project Justification Report
Wells Fargo Arena Renovation and New Multi-Purpose Arena

Previous Board Action:
- FY 2020-21 Capital Improvement Plan September 2017

Statutory/Policy Requirements
- ABOR Policy 7-102 (B) requires committee review and board approval of all capital projects with an estimated total project cost of $5,000,000 or more for renovation projects or $10,000,000 or more for new construction projects.

Project Justification/Description/Scope
- Sun Devil Athletics has established the goal of providing excellent performance venues and support facilities for all student-athletes. This goal supports Arizona State University’s charter in a number of ways by increasing student, alumni and community engagement and enhancing our local impact and social embeddedness.

- Wells Fargo Arena is a multi-use facility that was constructed in 1974 and is currently the home for top-ranked intercollegiate athletics programs, including Sun Devil men’s and women’s basketball, volleyball, gymnastics and wrestling, as well as the host for public and university special events. The facility is located adjacent to Sun Devil Stadium on the Tempe campus, as depicted in the map attached as Exhibit “G.”

- In recent years, the arena has operated with substandard spectator viewing and access issues, as well as infrastructure and transportation deficiencies. The facility does not offer the amenities that are competitive with comparable venues within the PAC-12 or other Division I schools, thereby affecting student-athlete recruitment and the fan experience. Scheduling for sporting events also has been a challenge, with most sports competing in overlapping seasons with limited venue options.

- In addition, the men’s ice hockey team currently rents ice time for both practice and games at Oceanside Arena in Scottsdale, which is suboptimal for team development and has limited seating capacity. Student engagement has been high and demand for seating has been greater than the capacity of the venue.
• To address these needs, an evaluation of current facilities was undertaken. A consulting team evaluated multiple arena development options and a conceptual design was selected that renovated the existing Wells Fargo Arena for men’s and women’s basketball and volleyball and included a new multi-purpose arena for ice hockey, gymnastics, and wrestling.

• The new multi-purpose venue would be built directly northeast and connect to the existing arena, creating an integrated indoor sports complex. This single project maximizes efficiency in construction cost, provides optimum cash flow results from the operation of an integrated sports complex, and enhances fundraising prospects by expanding multiple donor interests into a single project structure.

• The new, multi-purpose 5,000-seat, approximately 175,000 gross-square-foot arena would be designed to accommodate the Division I men’s ice hockey team. The design includes a second sheet of ice, which would be available to the community to provide alternatives for regional youth and adult hockey club practice and competition, as well as serve as practice ice for the Sun Devil hockey team. The venue design is flexible to accommodate other arena sports and provide an opportunity to host smaller, more intimate family shows and concerts.

• The facility will include premium seating for enhanced revenue generation, including 250 to 300 club and 48 loge seats. The event level of the arena will include an entry facing the planned retail street within the Novus Innovation Corridor. This level will house a club for premium seating, locker rooms, press facilities, and venue support spaces. The concourse level will tie into the concourse for the existing sports arena, allowing for shared services and infrastructure.

• Wells Fargo Arena, the 230,259 square-foot indoor arena, has had very modest investment since it was constructed over forty years ago. Mechanical systems and infrastructure are at the end of or beyond their useful lives, and the facility’s appearance, function and amenities are outdated. A major interior renovation of the facility will provide much-needed mechanical and infrastructure upgrades and bring state-of-the art technology to the arena, its locker rooms and the support areas.

• The rehabilitation of the existing arena also will include a significant upgrade to the interior and amenities that will enhance the fan experience. Reconstruction of the entire lower bowl will maximize center court seating and replacement of retractable seating. Special student and end zone seating sections will be included to enhance and promote Sun Devil traditions. A completely redesigned concourse will feature widened pathways and upgraded restroom facilities. The renovation also will include the addition of club and loge seating and upgrades to the current concessions areas and club space for premium season ticket holders.
EXECUTIVE SUMMARY

- Creation of an integrated indoor sports complex will provide the needed facilities to support all Sun Devil Athletics programs. Renovation of the current arena, combined with the construction of a new multi-purpose arena contiguous with the existing facility, will enhance the experience of both student-athletes and fans and will strengthen the university’s connections and impact in the communities it serves.

Project Delivery Method and Process:

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to provide contractor design input and coordination throughout the project, alleviate a potentially adversarial project environment and allow for the selection of the most qualified contractor team. With the use of two independent cost estimates at each phase and pre-qualified, low-bid subcontractor work for the actual construction, CMAR project delivery also provides a high level of cost and quality control.

Project Status and Schedule

- General construction is scheduled to begin when the design is complete and after all approvals are in place. Construction on the new multi-purpose arena tentatively is scheduled for substantial completion in July 2020. Renovation of Wells Fargo Arena is projected for substantial completion in July 2021.

Project Cost

- The budget for this approximately 405,259 gross-square-foot project is $160.0 million. The budget represents an estimated construction cost of $286 per gross square foot. The estimated total project cost is $395 per gross square foot.

- The CMAR will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan:

- The $160.0 million project budget will be funded with system revenue bonds. Debt service will be funded by auxiliary revenues and gifts.

- The annual operation and maintenance costs for Wells Fargo Arena are not expected to increase and the costs associated with the new multi-purpose arena are estimated at $1,307,094. These costs will be funded by auxiliary revenue.
EXECUTIVE SUMMARY

- **Debt Ratio Impact**: The projected incremental debt ratio impact for this project is 0.33 percent.

**Occupancy Plan**

- Leased space will be vacated to relocate the Sun Devil men’s ice hockey team to the new multi-purpose arena upon project completion in July 2020.

**Exhibit**

- Exhibit “G” - Site Location Map
Capital Project Information Summary

University: Arizona State University  Project Name: Wells Fargo Arena Renovation And New Multi-Purpose Arena

Project Description and Location: This project will renovate the existing Wells Fargo Arena for men's and women's basketball and volleyball and include a new multi-purpose arena for the Sun Devil ice hockey, gymnastics, and wrestling programs. These facilities are located adjacent to Sun Devil Stadium, as depicted in the attached Exhibit G.

Project Schedule:
Planning  September 2016
Design Start  May 2018
Construction Start  February 2019
Construction Completion – New Arena  July 2020
Construction Completion – Wells Fargo  July 2021

Project Budget:
Total Project Cost  $ 160,000,000
Total Project Construction Cost  $ 115,800,000
Total Project Cost per GSF  $ 395
Construction Cost per GSF  $ 279

Change in Annual O & M Cost:
New Multi-Purpose Arena:
Utilities  $ 616,000
Personnel  179,337
All Other Operating  511,757
Subtotal  $ 1,307,094

Funding Sources:
Capital
  A. System Revenue Bonds  $ 160,000,000
Debt Service Funding Sources: Auxiliary/Gift

Operation/Maintenance  $ 1,307,094
Funding Source: Auxiliary
## Capital Project Budget Summary

**University:** Arizona State University  
Wells Fargo Arena Renovation and New Multi-Purpose Arena

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<th>Item</th>
<th>Description</th>
<th>Cost (in $)</th>
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<td>C. Special Fixed Equipment</td>
<td>15,000,000</td>
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<td></td>
<td>D. Site Development (excl. 2.E.)</td>
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<td></td>
<td>E. Parking and Landscaping</td>
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<td></td>
<td>F. Utilities Extensions</td>
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<td></td>
<td>G. Other* (Demolition/abatement)</td>
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<td>Fees</td>
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<td>9.</td>
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<td>B. Move-in Costs</td>
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<td></td>
<td>C. Printing Advertisement</td>
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<td>D. Keying, signage, facilities support</td>
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<td>E. Project Management Cost</td>
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<td>F. State Risk Mgt. Ins. (.0034 **)</td>
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<td><strong>Total Capital Cost</strong></td>
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</tbody>
</table>

* Universities shall identify items included in this category  
** State Risk Management Insurance factor is calculated on construction costs and consultant fees.
EXHIBIT G
Wells Fargo Arena Renovation and New Multi-Purpose Arena
Site Location Map
EXECUTIVE SUMMARY

Arizona Board of Regents
Arizona State University
Capital Development Plan Project Justification Report
Hayden Library Reinvention

Previous Board Action:

- FY 2018 Capital Development Plan June 2017

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires committee review and board approval of all renovation or infrastructure capital projects with an estimated total project cost of $10,000,000 or more.

Project Justification/Description/Scope

- This project will reinvent the original spaces of the iconic Hayden Library, the main library located at the heart of the Tempe campus. The library location is depicted on the map attached hereto as Exhibit H. The project will transform the building from a book-intensive traditional library into a hub for 21st century learning, discovery and innovation.

- Reinvention of the library will encompass an expansion of the below-grade level, as well as a full renovation of all five levels of the “tower” portion of the building that was constructed in 1966. This reinvention project will increase the gross square footage (GSF) of the building from 211,000 to approximately 240,000 GSF.

- The guiding principles of the project include maximizing and enhancing space for students to connect, collaborate, learn and make; elevating the visibility of library collections; improving overall accessibility, navigation and discovery through a user-friendly design and multiple entrances on the main level; and strengthening community engagement through curated exhibits, makerspaces and a high-tech geospatial data room.

- Current and future high-technology innovations, including multi-media production spaces, will be accommodated in the flexible and adaptable project design. Building operation and code compliance issues also will be addressed in this project.

- The transformation of Hayden Library into an innovative, state-of-the-art learning center will support the university and ABOR goals of advancing student learning and educational success. The reinvention of this library also will advance the
establishment of the university as a leading global center for interdisciplinary scholarship and discovery.

Project Delivery Method and Process:

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to provide contractor design input and coordination throughout the project, alleviate a potentially adversarial project environment and allow for the selection of the most qualified contractor team. With the use of two independent cost estimates at each phase and pre-qualified, low-bid subcontractor work for the actual construction, CMAR project delivery also provides a high level of cost and quality control.

- ASU has selected Holder Construction as the CMAR and Ayers Saint Gross as the Design Professional (DP) for this project. During the CMAR selection process, there were thirteen submittal responses and five contractors were interviewed. The selection process for the DP included twenty-three responses and five firms were interviewed.

Project Status and Schedule

- General construction is scheduled to begin when the design is complete and after all approvals are in place. Construction on all project components is scheduled for substantial completion in November 2019.

Project Cost

- The budget for this 240,000 gross-square-foot project is $90.0 million. The budget represents an estimated construction cost of $263 per gross square foot. The estimated total project cost is $375 per gross square foot.

- The CMAR will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan:

- The $90.0 million project budget will be funded with system revenue bonds. Debt service will be funded by the State of Arizona Capital Infrastructure Fund, matched with university funds, and tuition.
The annual operation and maintenance costs for the incremental space associated with this project are estimated at $96,343. These costs will be funded by tuition.

Debt Ratio Impact: The projected incremental debt ratio impact for this project is 0.19 percent.

Occupancy Plan

Some staff and students that normally use Hayden Tower are in temporary spaces that will be released after the library renovation is complete. A significant number of staff and student seats are being relocated to the 1989 portion of Hayden, Noble Library and Fletcher Library to complete the reinvention of Hayden Library.

Exhibit

Exhibit H - Site Location Map
Capital Project Information Summary

University: Arizona State University  Project Name: Hayden Library Reinvention

Project Description and Location: This project will transform the iconic Hayden Library into a 21st century learning center. Hayden Library is the main library on the Tempe campus and is depicted on the attached map as Exhibit H. Through the creation of new entrances, better utilization of space and the inclusion of updated technologies, this renovation will gain much needed classroom, collaboration and study space to enable student success.

Project Schedule:
Planning: September 2016
Design Start: April 2017
Construction Start: March 2018
Construction Completion Lower Tower: July 2019
Construction Completion: November 2019

Project Budget:
Total Project Cost: $90,000,000
Total Project Construction Cost: $63,000,000
Total Project Cost per GSF: $375
Construction Cost per GSF: $263

Change in Annual O & M Cost:
Utilities: $45,507
Personnel: 0
All Other Operating: 50,836
Subtotal: $96,343

Funding Sources:
Capital
A. System Revenue Bonds: $90,000,000

Debt Service Funding Sources:
Tuition
Capital Infrastructure Fund

Operation/Maintenance: $96,343
Funding Source: Tuition
### Capital Project Budget Summary

<table>
<thead>
<tr>
<th>University: Arizona State University</th>
<th>Project: Hayden Library Reinvention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Costs</strong></td>
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<tr>
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<tr>
<td>2. Construction Cost</td>
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<td>A. New Construction</td>
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<td>B. Tenant Improvements</td>
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<td>D. Site Development (excl. 2.E.)</td>
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<td>E. Parking and Landscaping</td>
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<td>F. Utilities Extensions</td>
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<td>G. Other* (Demolition/abatement)</td>
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<td>8. Telecommunications Equipment</td>
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<td><strong>Subtotal Items 4-8</strong></td>
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<td>9. Additional University Costs</td>
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<td>A. Surveys, Tests, Haz. Mat. Abatement</td>
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<td>E. Project Management Cost</td>
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* Universities shall identify items included in this category
EXHIBIT “H”
Hayden Library Reinvention
Site Location Map
Previous Board Action:

- FY 2018 Capital Development Plan  
  June 2017

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires committee review and board approval of all capital projects with an estimated total project cost of $10,000,000 or more for new construction.

Project Justification/Description/Scope

- ASU and the Mayo Clinic share a bold vision to transform medical education and the field of health care. The realization of this shared vision is in their plans to collaborate in a world-class research, innovation and learning environment on ASU-controlled land in northeast Phoenix, adjacent to the Mayo Clinic Hospital campus.

- The planned new facility will be the first to be located on this ASU Health Solutions Innovation zone. The Mayo Clinic’s expertise in complex patient care, medical education and research will be joined with ASU’s robust engineering, informatics, health solutions and nursing programs on this site. The site will be a destination for top-quality health care, professional education, industry interaction and treatment breakthroughs.

- This approximately 150,000 gross-square-foot, leading-edge facility will feature a med-tech innovation accelerator, biomedical engineering and informatics research labs, and an innovative education zone. Programs from several ASU schools and colleges, particularly those with a focus on the health professions and biomedical sciences, will benefit from the proximity of this facility to the Mayo Clinic Hospital and Cancer Center, as depicted on the map attached hereto as Exhibit I.

- As this is the first facility to be constructed on the ASU Health Solutions Innovation Zone site, the scope of this project will address not only the master plan integration, but also the initial infrastructure requirements. Components, such as hardscape for the site entry, utilities that will serve the needs of the entire future site and a bridge
that connects to the Mayo Clinic Hospital site, are included in the scope and cost of this project.

- Separate from but related to this project, the City of Phoenix has agreed to contribute up to $8.8 million toward the development of off/on-site infrastructure. These funds will support the extension of utilities to the site, as well the connection of a pedestrian/cart bridge over the existing wash.

- This project will support ABOR’s goal of increasing capabilities and avenues for state-of-the-art research to enhance Arizona’s economy and competitiveness.

**Project Delivery Method and Process:**

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to provide contractor design input and coordination throughout the project, alleviate potentially adversarial project environments and allow for the selection of the most qualified contractor team. With the use of two independent cost estimates at each phase and pre-qualified, low-bid subcontractor work for the actual construction, CMAR project delivery also provides a high level of cost and quality control.

**Project Status and Schedule**

- ASU has selected DPR Construction as the CMAR and Dick & Fritsche Design Group as the Design Professional (DP) for this project. During the CMAR selection process, there were ten submittal responses and four contractors were interviewed. The selection process for the DP included fifteen responses and five firms were interviewed.

- General construction is scheduled to begin when the design is complete and after all approvals are in place. Construction is scheduled for completion in December 2019.

**Project Cost**

- The budget for this project is $80.0 million, and represents an estimated construction cost of $378 per gross square foot. The estimated total project cost is $533 per gross square foot.

- The CMAR will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).
Fiscal Impact and Financing Plan:

- The $80.0 million project budget will be funded with system revenue bonds. Debt service will be funded by the State of Arizona Capital Infrastructure Fund and matched with university funds.

- Operations and maintenance costs for this project are estimated at $1,329,188 annually and will be funded by tuition.

- **Debt Ratio Impact**: The projected incremental debt ratio impact for this project is 0.19 percent.

Occupancy Plan

- University programs from the College and Nursing and Health Innovation, the College of Health Solutions Department of Biomedical Informatics, the Fulton Schools of Engineering and The Center for Mindfulness are expected to occupy this facility. Backfill plans for spaces vacated by these programs are in development.

Exhibit

- Exhibit I - Site Location Map
Capital Project Information Summary

**University:** Arizona State University  **Project Name:** Health Solutions Innovation Center

**Project Description and Location:** The proposed new 150,000-square-foot leading-edge facility will feature a med-tech innovation accelerator, biomedical engineering and informatics research labs, and an innovative education zone. Programs from several ASU schools and colleges, particularly those with a focus on the health professions and biomedical sciences, will benefit from the proximity of this world class learning facility to the Mayo Clinic Hospital and Cancer Center, as depicted on the attached map as Exhibit I. This is the first building in conjunction with the new innovation zone at this location.

**Project Schedule:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>July 2017</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>December 2017</td>
<td></td>
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<tr>
<td>Construction Start</td>
<td>August 2018</td>
<td></td>
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<tr>
<td>Construction Completion</td>
<td>December 2019</td>
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**Project Budget:**

<table>
<thead>
<tr>
<th>Cost</th>
<th>Amount</th>
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<tbody>
<tr>
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<tr>
<td>Total Project Construction Cost</td>
<td>$56,694,000</td>
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<td>Total Project Cost per GSF</td>
<td>$533</td>
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<tr>
<td>Construction Cost per GSF</td>
<td>$378</td>
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**Change in Annual O & M Cost:**

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<th>Category</th>
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<td>Personnel</td>
<td>0</td>
</tr>
<tr>
<td>All Other Operating</td>
<td>763,360</td>
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<td>Subtotal</td>
<td>$1,329,188</td>
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**Funding Sources:**

**Capital**

<table>
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<th>Source</th>
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<tr>
<td>A. System Revenue Bonds</td>
<td>$80,000,000</td>
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<tr>
<td>Debt Service Funding Source:</td>
<td>Tuition</td>
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<td>Capital Infrastructure Fund</td>
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</table>

**Operation/Maintenance**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Funding Source: Tuition</td>
<td>$1,329,188</td>
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</table>
## Capital Project Budget Summary

**University:** Arizona State University  
**Project:** Health Solutions Innovation Center

<table>
<thead>
<tr>
<th>Capital Costs</th>
<th>Capital Development Plan</th>
<th>Capital Development Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 2017</td>
<td>February 2018</td>
</tr>
</tbody>
</table>

1. Land Acquisition
2. Construction Cost
   - A. New Construction: $49,000,000
   - B. Tenant Improvements: $56,238,000
   - C. Special Fixed Equipment: $1,000,000
   - D. Site Development (excl. 2.E.): $2,500,000
   - E. Parking and Landscaping: $456,000
   - F. Utilities Extensions: $1,000,000
   - G. Other* (Demolition/abatement): $2,500,000
   - **Subtotal Construction Cost:** $52,500,000

3. Fees
   - A. CMAR Pre-Construction: $787,500
   - B. Architect/Engineer: $6,300,000
   - C. Other
   - **Subtotal Consultant Fees:** $7,087,500

4. FF&E Movable: $2,100,000
5. Contingency, Design Phase: $4,200,000
6. Contingency, Constr. Phase: $4,200,000
7. Parking Reserve: $2,500,000
8. Telecommunications Equipment: $2,719,317
   - **Subtotal Items 4-8:** $13,219,317

9. Additional University Costs
   - A. Surveys, Tests, Haz. Mat. Abatement: $25,000
   - B. Move-in Costs: $5,000
   - C. Printing Advertisement: $1,000
   - D. Keying, signage, facilities support: $45,000
   - E. Project Management Cost: $1,938,683
   - F. State Risk Mgt. Ins. (.0034 **): $178,500
   - **Subtotal Addl. Univ. Costs:** $2,193,183
   - **Total Capital Cost:** $75,000,000

* Universities shall identify items included in this category
** State Risk Management Insurance factor is calculated on construction costs and consultant fees.
EXHIBIT I
Health Solutions Innovation Center
Phoenix Site Location Map

GENERAL LOCATION MAP

HEALTH SOLUTIONS INNOVATION CENTER

AREA IN DETAIL
EXECUTIVE SUMMARY

Item Name: Lease Agreement for Office and Classroom Space at the Arizona Center (ASU)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: Arizona State University asks the board to approve its entering into a five-year lease with AGP Arizona Center Owner, LLC for 60,204 square feet of office and classroom space located at One Arizona Center, 400 E. Van Buren Street, Phoenix (the Property).

Enterprise or University Strategic Plan
☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☐ Other:

Statutory/Policy Requirements

- ABOR Policy 7-207(A)(2) requires Board approval for the lease of real property when the total annual rental including tax, insurance and maintenance payable exceeds $500,000.

Background/History of Previous Board Action

- The Property is located adjacent to the ASU Downtown campus on N. Van Buren Street and E. 5th Street in Phoenix. It is strategically and conveniently located between the core Downtown campus area and the ASU Mercado located at 7th Street and Van Buren.

- ASU is currently leasing 35,705 square feet of space in another Arizona Center building. That lease was established in 2013 and expires in 2023. The space was used initially as a temporary home for the Sandra Day O’Connor College of Law while the new Beus Center for Law and Society was under construction, and

Contact Information:
Morgan R. Olsen, Executive Vice President, Treasurer and CFO • (480) 727-9920 • Morgan.R.Olsen@asu.edu
is now used as classrooms and offices for a number of the academic programs on the Downtown Phoenix campus that have out-grown their existing spaces.

- The Thunderbird School of Global Management (Thunderbird) was integrated with ASU in December 2014. ABOR approved the merger on November 21, 2014.

Discussion

- Thunderbird has operated as a unit of ASU on its long-time campus in Glendale. In the last three years, ASU initiated an undergraduate program that is housed at the ASU West campus, eliminated the MBA degree at Thunderbird and re-instituted Thunderbird’s historic masters degree in Global Management, expanded Thunderbird’s online programs, reorganized its executive education programs and support structure, and consolidated a number of administrative functions to achieve operating efficiencies.

- Thunderbird’s graduate business programs are distinguished by their embrace of teaching in a wide range of subjects beyond business, including language, culture, and disciplines useful to a broad practice of management.

- Many of the buildings at the campus in Glendale are over fifty years old, resulting in a wide range of deferred maintenance problems that will require substantial investment over the next few years.

- Thunderbird’s ability to compete in the marketplace of graduate business programs and in the market for executive education will depend on maintaining and expanding its unique educational approach. Access to other strong ASU programs and their integration into the school’s curriculum is a key element of the planning for the future success of Thunderbird. These programs include law, public service, health care delivery, and engineering. All of these programs, other than engineering, are based in downtown Phoenix.

- Given the programmatic and financial considerations, ASU is planning to relocate the Thunderbird graduate programs and executive education programs to a new building to be constructed on the Downtown Phoenix campus, adjacent to the Beus Center for Law and Society. Planning for a capital project for this new facility is underway and a separate authorization for that project will be sought later in 2018. This permanent facility is expected to be open in 2021.

- In order to proceed with the new trajectory for the Thunderbird programs and avoid expensive immediate repairs needed in Glendale, and begin the process of redeveloping the Glendale campus, ASU proposes to move the programs to temporary space in downtown Phoenix as of fall 2018 or spring 2019.
• One Arizona Center has 60,204 SF on three adjacent floors that can successfully house Thunderbird’s teaching and support operations on a temporary basis while the permanent facility is planned and built. The space in One Arizona Center includes two floors that will require little renovation beyond cosmetic refreshing and a mix of existing and new furniture. The third floor is currently in shell condition and is suitable for renovation for classrooms and collaboration space uses by Thunderbird.

• Tenant improvements at an estimated cost of $5,000,000 will be made in the space to ASU specifications. The lease terms include a tenant improvement allowance of $1,116,700 that will reduce the up-front capital costs to just less than $3,900,000.

• The lease will have a five-year term, commencing on July 1, 2018, at an initial annual base rent of $1,816,956 ($30.18 per square foot) with annual increases of $0.75/sf with a five-year option to renew with annual lease rate increases of $0.75/sf.

• Landlord’s operating costs for real estate taxes and common area maintenance base year is estimated to be $10.00 per square foot, for a total per square foot full-service rent of $30.18 beginning July 1, 2018 through June 30, 2019. These rates are competitive for similar space with similar tenant improvement allowances in downtown Phoenix.

• In addition, the lease includes access to up to 181 parking spaces in the adjacent Arizona Center parking garage at a cost of $75 per space per month. The cost of the spaces will be borne by the users of the spaces.

• After the temporary Thunderbird use is completed, the lease term for the space will allow ASU to vacate other leased spaces in downtown Phoenix and/or to meet Downtown Phoenix campus growth needs.

• Funding for the lease payments will come largely from savings associated with the relocation of Thunderbird School and executive education operations, with any temporary incremental costs incurred during the transition funded by tuition.
Exhibit:

- Exhibit A – Location Map

Committee Review and Recommendation

The Business and Finance Committee reviewed this item at its January 25, 2018 meeting and recommended forwarding to the full board for approval.

Requested Action

Arizona State University asks the board to authorize the ASU President, the ASU Executive Vice President, Treasurer and Chief Financial Officer, and the ASU Assistant Vice President for Real Estate Development, or any successor titles to such positions, each separately, to take all appropriate actions to enter into a lease for space in One Arizona Center, as described in this Executive Summary.
EXECUTIVE SUMMARY

Item Name: Combined Revised FY 2018 Capital Development Plan and Project Approval for Science Annex Building Renovation (NAU)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: Northern Arizona University asks board to approve its Revised 2018 Capital Development Plan and Project Approval for the renovation of the 3rd and 4th Floor of the Science Annex Building. The Science Annex project is the only project on the CDP with a total budget of $17.4 million. The project will be funded using state appropriations, gift funds and other university resources.

Previous Board Action
- FY 2018 Capital Development Plan June 2017

Enterprise or University Strategic Plan
☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☐ Other:

Statutory/Policy Requirements
- Pursuant to Arizona Board of Regents Policy Chapter 7-107, each university shall submit an annual Capital Development Plan for the upcoming year in accordance with the calendar approved by the President of the Board.

- ABOR Policy 7-102(B) requires that all capital projects for renovation with an estimated total project cost of $5 million or more be brought to the Business and Finance Committee for approval.

- Capital Development Plans are reviewed by the Business and Finance Committee and approved by the Board.

Contact Information:
Dan Okoli, VP of Capital Planning & Campus Operations
Dan.Okoli@nau.edu
(928) 523-8831
EXECUTIVE SUMMARY

- Approval of the CDP allows universities to complete design and planning, execute construction and financing agreements, and begin construction as outlined in policy.

Project Description/Justification/Scope

- Northern Arizona University’s Revised FY 2018 CDP totals $17.4 million and includes one project:
  - Science Annex 3rd & 4th Floor Renovation

- NAU is requesting Project Approval, in conjunction with CDP approval, for the Science Annex 3rd & 4th Floor Renovation project in order to provide needed open office area with workstations to facilitate the advancement of, including but not limited to, STEM programs on the University campus.

- The 3rd and 4th floors of Building 20 Science Annex (formerly Chemistry) are currently not occupied due to numerous Building, Fire and ADA codes issues as well as general disrepair affecting virtually all building components including HVAC, electrical, windows (common to the entire building) and finishes. The space also contains hazardous materials, which do not necessarily pose an immediate health threat, but must be remediated prior to construction activities. The intent of this project is to bring those two floors into code compliance and general modernization. These two floors will be constructed as open office area with workstation for future occupants. The total renovation of the 3rd and 4th floors is 34,115 GSF, while the total building is 73,168 GSF.

- The university is building a North Campus Science Corridor to maximize the benefits of colocation of critical STEM programs. The Science Annex is an underutilized building as the 3rd and 4th floors are currently vacant and impaired for use. Renovation of this space allows NAU to leverage its existing capital to create added usable square footage for these critical programs. This renovation will enable the occupants of the current Peterson building to move into nearby space to permit the demolition of Peterson to make way for a new Multi-Discipline STEM Academic/Research Building (2019 – 2021 Capital Improvement Plan Priority 3). At the same time NAU will continue to evaluate all of its space use to maximize location of offices, classrooms and research clusters to foster learning, collaboration and innovation.

Project Delivery Method and Process

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to provide contractor pre-construction services and a high level of project team integration, which alleviates potentially adversarial project relationships.
EXECUTIVE SUMMARY

- NAU will utilize a request for qualifications (RFQ) to select a Design Professional (DP). Design Professional submittals are due to NAU on January 11, 2018, and the University anticipates awarding a contract as early as February 2018. Following a DP selection, the University will issue an RFQ for CM@R services. Currently that solicitation is scheduled to be published mid-January with proposals due the end of January. The University anticipates to award a CM@R contract by the end of February 2018.

Project Status and Schedule

- This project is in the Design Professional selection phase, with design and construction scheduled to begin when all approvals are in place. Construction is targeted to begin in May 2018, with Substantial Completion by May 2019.

Project Cost

- The budget for this project is $17.4 million.

- The budget represents an estimated construction cost of $353 per GSF and a total project cost of $510 per gross square foot.

- This project is utilizing the CMAR delivery method in which the CMAR is at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP). A final report on project cost and schedule will be provided at project completion.

- The University does not foresee the project exceeding $17.4 million, but in the event the University anticipates the need for a budget increase, a revised Capital Development Plan shall be submitted.

Fiscal Impact and Financing Plan

- The NAU Revised FY 2018 CDP, if fully implemented, reflects a total cost of $32.4 million ($15 million previously approved for Recital Hall and current proposed Science Annex for $17.4 million).

- The University does not plan to use debt to finance this renovation project. Northern Arizona University intends to fund the project accordingly; $9.1 million will be funded using FY2019 & FY2020 State General Fund appropriations to be received as part of the University investment (bonding) program; $2.5 million will be Gift Funds; and $5.8 million in University resources dedicated to capital projects, deferred maintenance and building renewal.
EXECUTIVE SUMMARY

• **Debt Ratio Impact:** The projected incremental debt ratio impact for this project will be 0% above the estimated debt service of the Recital Hall project that was approved at the June 2017 Board meeting.

• The tables in Exhibits 1 and 2 provide detail project financing, funding sources and debt ratio impact.

**Occupancy Plan**

• This project is scheduled to accommodate office occupants in the current Peterson building. Peterson will be demolished to make way for the construction of the new STEM building, to further develop the North Campus Science Corridor.

• The Science Annex 3rd & 4th Floor Renovation is anticipated to be completed by July 2019, and will provide long term office space support for the STEM building in order to maximize academic and research space.

**Overview and Alignment with Enterprise and University Goals and Objectives:**

• NAU has developed the Revised CDP to align with university’s campus master plan, and the system enterprise and university strategic goals and objectives.

• The primary institutional priorities supported by the CDP include

  o **Academic & Research Needs:** The educational and research programs contribute greatly to the quality of life and economic vitality of our state. However, it must continue to increase operational efficiencies and the number of degrees awarded while improving student success, retention and graduation rates. Research revenues must increase to meet the ABOR Enterprise 2025 Metrics and NAU must continue to increase the number of High Demand Degrees it awards in STEM. The renovation of the Science Annex will achieve this goal by furnishing necessary office space to STEM office users. In doing so, the need for office space in the forthcoming STEM building would be alleviated and allow the building to be dedicated to academic and research needs.

  o **Campus Operations & Infrastructure Priorities:** Facilities must be kept in a safe, operational and maintainable condition. Campus buildings and utility systems must be efficient and cost-effective to maximize the use of operational funds over time. Infrastructure improvements should be made in district-wide increments when possible to maximize economies of scale and potential cost savings. Critical maintenance and renovations must not fall behind, and NAU has prioritized building maintenance with limited state investments over the last
two years. The Science Annex 3\textsuperscript{rd} & 4\textsuperscript{th} floor have been unoccupied for approximately five years due to code compliance items. In completing the renovation, not only is the building space being brought into current code compliance, but it is also providing much needed office space for the growing science corridor within the University.

- **Life Safety & Code Compliance:** Life safety and code compliance issues must take highest priority to assure the safety of students, staff and visitors. Safety and code compliance issues must be resolved promptly.

- **Funding Sources & Financing Options:** Project funding and financing should be carefully considered for every individual project, to take advantage of windows of opportunity, to maximize the resources available with minimal impacts on tuition rates and to responsibly manage the assets of the University. At this time the University is electing to use General Fund Appropriations/University Infrastructure Funding, Gift Funding and University Resources to fund the project and preserve their bond/debt capacity for further strategic initiatives.

**Committee Review and Recommendation**

The Business and Finance Committee reviewed this item at its January 25, 2018 meeting and recommended forwarding to the full board for approval.

**Requested Action**

Northern Arizona University asks the board to approve its Revised FY 2018 Capital Development Plan and Project Approval for the Science Annex Building Renovation, as presented in this Executive Summary.
## EXHIBIT 1

Revised Project Summary

<table>
<thead>
<tr>
<th>Project</th>
<th>Board Approval Status</th>
<th>Gross Square Footage</th>
<th>Project Cost</th>
<th>Amount Financed</th>
<th>Funding Method</th>
<th>Annual Debt Service</th>
<th>Debt Ratio</th>
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<tbody>
<tr>
<td><strong>Academic/Support Projects</strong></td>
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<td></td>
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<tr>
<td>Science Annex 3rd &amp; 4th Floor Renovation</td>
<td>2/18</td>
<td>34,115</td>
<td>$17,416,437</td>
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<td><strong>New Academic/Support Projects Total</strong></td>
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<tr>
<td><strong>Resubmitted Projects</strong></td>
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<td><strong>TOTAL</strong></td>
<td></td>
<td>34,115</td>
<td>$17,416,437</td>
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</table>
### Executive Summary

**EXHIBIT 2**

Annual Debt Service and Operation and Maintenance Costs By Funding Source

#### CAPITAL DEVELOPMENT PLAN - ANNUAL DEBT SERVICE BY FUNDING SOURCE

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<thead>
<tr>
<th>Project</th>
<th>Amount Financed</th>
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<th>ICR</th>
<th>OLF</th>
<th>SLP</th>
<th>FGT</th>
<th>GFA</th>
<th>DFG</th>
<th>OTH</th>
<th>TOTAL ANNUAL DEBT SERVICE</th>
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<tbody>
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<td>New Academic/Support Projects</td>
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<td></td>
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</tr>
<tr>
<td>Science Annex 3rd &amp; 4th Floor Renovation</td>
<td>N/A</td>
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<tr>
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</tbody>
</table>

#### OPERATION AND MAINTENANCE BY FUNDING SOURCE

| Project | TOTAL ANNUAL O&M | 301 | TUI | AUX | ICR | OLF | SLP | FGT | GFA | DFG | DFG | OTH |
|---------|-----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| New Academic/Support Projects | | | | | | | | | | | | |
| Science Annex 3rd & 4th Floor Renovation | $ 87,700 | | | | | | | | | | | $ 87,700 |
| Academic/Support Projects Total | $ 87,700 | | | | | | | | | | | $ 87,700 |
| Resubmitted | | | | | | | | | | | | |
| No resubmitted projects | | | | | | | | | | | | |
| Resubmitted Total | | | | | | | | | | | | |
| Total | $ 87,700 | | | | | | | | | | | $ 87,700 |

Debt Service Funding Source Codes:
- (301) 301 Fund/Other
- (ICR) Indirect Cost Recovery
- *(OTH)* Other - Local Funds
- (DFG) Debt Financed by Gifts
- (TUI) Tuition
- (OLF) Other Local Funds
- (GFA) General Fund Appropriation
- (AUX) Auxiliary
- (SLP) State Lottery Allocation Proceeds
**Capital Project Information Summary**

**University:** Northern Arizona University  
**Project Name:** Science Annex 3rd & 4th Floor Renovation

**Project Description and Location:**
The construction renovation of 34,115 GSF of wet laboratory space into flexible open office space.

**Project Schedule:**
- Planning: October 2017
- Design Start: February 2018
- Construction Start: May 2018
- Occupancy: August 2019

**Project Budget:**
- Total Project Cost: $17,416,437
- Total Project Cost per sq. ft.: $510
- Direct Construction Cost: $12,070,000
- Construction Cost per sq. ft.: $353

**Change in Annual Operating/Maintenance Costs:**
- Utilities: $45,000
- Personnel: $49,800
- All Other Operating: $37,900
- Total: $132,700

**Funding Sources:**
**Capital:**
- University General Fund: $9,100,000
- Gifts: $2,500,000
- University Resources: $5,800,000
- Total: $17,400,000

**Operation/Maintenance:**
- Tuition and Fees: $87,700
- Total: $87,700
EXECUTIVE SUMMARY

**Capital Project Cost Estimate**

**University:** Northern Arizona University

**Project:** Science Annex 3rd & 4th Floor Renovation

<table>
<thead>
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<th>Capital Development Plan</th>
<th>Project Approval</th>
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<tbody>
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<td>Land Acquisition</td>
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<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Cost</td>
<td></td>
</tr>
<tr>
<td>A. New Construction</td>
<td>$12,070,000</td>
</tr>
<tr>
<td>B. Renovation</td>
<td>$12,070,000</td>
</tr>
<tr>
<td>C. Fixed Equipment</td>
<td></td>
</tr>
<tr>
<td>D. Site Development</td>
<td></td>
</tr>
<tr>
<td>E. Parking and Landscaping</td>
<td></td>
</tr>
<tr>
<td>F. Utilities Extensions</td>
<td></td>
</tr>
<tr>
<td>G. Other</td>
<td></td>
</tr>
<tr>
<td>H. Inflation and Market Adjustment</td>
<td></td>
</tr>
<tr>
<td>Subtotal Construction Cost</td>
<td>$12,070,000</td>
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<tr>
<td>$12,070,000</td>
<td>$12,070,000</td>
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<tr>
<td>Fees</td>
<td></td>
</tr>
<tr>
<td>A. Construction Mgr (5%)</td>
<td>$603,500</td>
</tr>
<tr>
<td>B. Architect/Engineer</td>
<td>$1,500,000</td>
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<tr>
<td>C. Other (2.29%)</td>
<td>$276,403</td>
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<tr>
<td>$2,379,903</td>
<td>$2,379,903</td>
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<tr>
<td>FF&amp;E Movable</td>
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<tr>
<td>$40,000</td>
<td>$40,000</td>
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<tr>
<td>Contingency, Construction Phase (10%)</td>
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<tr>
<td>$1,207,000</td>
<td>$1,207,000</td>
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<tr>
<td>Contingency, Design Phase (8.0%)</td>
<td></td>
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<td>$120,000</td>
<td>$120,000</td>
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<tr>
<td>Parking Reserve</td>
<td>$0</td>
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<tr>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Telecommunications/Security Equip</td>
<td></td>
</tr>
<tr>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Subtotal Items 4-8</td>
<td>$1,567,000</td>
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<tr>
<td>$1,567,000</td>
<td>$1,567,000</td>
</tr>
<tr>
<td>Additional University Costs</td>
<td></td>
</tr>
<tr>
<td>A. Surveys, Tests, Inspections, etc.</td>
<td>$400,000</td>
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<tr>
<td>B. Move-in Costs</td>
<td>$400,000</td>
</tr>
<tr>
<td>C. Printing Advertisement</td>
<td>$10,000</td>
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<tr>
<td>D. Commissioning</td>
<td></td>
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<td>E. 3rd Party Estimate, Audit</td>
<td>$20,000</td>
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<td>F. Project Management Cost (3%)</td>
<td>$511,734</td>
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<td>G. State Risk Mgmt Insurance (0.34%)</td>
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<td>Subtotal Additional University Costs</td>
<td>$1,399,534</td>
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<td>$1,399,534</td>
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<td>$17,416,437</td>
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<td>$17,416,437</td>
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</tr>
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EXECUTIVE SUMMARY

Item Name: College of Pharmacy Skaggs Building Addition and Renovation Project Approval (UA)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: The University of Arizona asks the board to approve its College of Pharmacy Skaggs Building Addition and Renovation Project. The $26 million project consists of 21,000 gross square feet (gsf) of new space and 12,000 gsf of renovated space, and will be funded with gifts, University of Arizona Health Sciences funds, and ALSAM Foundation funds.

Previous Board Action

FY2018 Capital Development Plan – June 2017

Enterprise or University Strategic Plan

☒ Empower Student Success and Learning
☒ Advance Educational Attainment within Arizona
☒ Create New Knowledge
☒ Impact Arizona
☒ Compliance
☐ Real Property Purchase/Sale/Lease
☐ Other:

Statutory / Policy Requirements

- ABOR Policy 7-109 requires approval of new construction projects with a total project cost over $10 million before construction can begin.

- ABOR Policy 7-102(B) requires that all capital projects with an estimated total project cost of $5 million or more for renovation be brought to the Business and Finance Committee for approval.

Contact Information:
Gregg Goldman, Senior Vice President and CFO, (520) 621-5977, ggoldman@email.arizona.edu
EXECUTIVE SUMMARY

Project Justification / Description / Scope

- The College of Pharmacy is committed to the University’s strategic planning efforts and intends to continue its innovation and excellence in research, practice and education and make a substantial impact on improving the health of people of Arizona and around the world. This project will provide the College with both the new and renovated space that will facilitate increased research capability, faculty recruitment, national ranking and increased revenues, while ensuring the growth and capacity to adapt to the dynamic and changing fields in pharmaceutical sciences.

- The existing building and the planned addition are located in the Health Sciences district of campus, in conformance with the Campus Master Plan.

- The project will provide construction of new and renovated space for chemistry and biology research labs and associated support spaces.

Project Delivery Method and Process

- This project is being delivered through the Construction Manager at Risk (CM@R) method. This approach was selected for the project because it can save time and cost, provides contractor design input and coordination throughout the project, improves potentially adversarial project environments, and allows for the selection of the most qualified contractor for this project. With the use of an independent cost estimate at each phase, and low-bid subcontractor pricing for the actual construction work, this method also provides a high level of cost and quality control.

- The CM@R was selected through the capital project selection committee process prescribed by the ABOR Procurement Code. Six (6) responses to the project Request for Qualifications (RFQ) were received, and three (3) of the responding teams were short-listed for interview. A licensed contractor from the community was included on the selection committee as required by Board Policy. The design team was selected through a similar ABOR process, and four (4) teams were interviewed out of seven (7) RFQ responses received.

Project Status and Schedule

- Construction documents are being completed to allow construction of the new addition to begin in Spring of 2018. Renovation of the existing areas is to begin Summer of 2019.
EXECUTIVE SUMMARY

Project Cost

- The budget for the 21,000 gross square foot (gsf) of new space together with 12,000 gsf of renovated space is $26,000,000.

- The budget represents an estimated construction cost of $627 per gsf ($828 per gsf for the addition and $275 per gsf for the renovated areas) and an estimated overall total project cost of $788 per gsf.

Fiscal Impact and Financing Plan:

- The University plans to use $6 million in gifts, $10 million in UAHS funds, and $10 million in ALSAM Foundation funds for the College of Pharmacy Skaggs Building Addition and Renovation with a total project budget of $26 million. The operations and maintenance (O&M) cost for the building addition is estimated to be $188,400. College of Pharmacy operating budget will be utilized to fund the O&M cost.

Debt Ratio Impact:

This project will have no impact on the University’s debt ratios because no debt will be issued to finance this project.

Occupancy Plan

- The newly constructed research labs and the renovated existing research labs will be used by faculty already using the existing building, as well as providing space for new faculty hires.

- This project will require a phased renovation construction effort, concurrent with the addition being constructed.

- It is anticipated that total occupancy will occur in the Summer of 2019.

Committee Review and Recommendation

The Business and Finance Committee reviewed this item at its January 25, 2018 meeting and recommended forwarding the item to the full board for approval.

Requested Action

The University of Arizona asks the board for project approval for the College of Pharmacy Skaggs Building Addition and Renovation Project, as presented in this Executive Summary.
EXECUTIVE SUMMARY

**Capital Project Information Summary**

**University:** The University of Arizona  
**Project Name:** College of Pharmacy Skaggs Building Addition and Renovation

**Project Description/Location:** This project, located at the northeast corner of Mabel Street and Warren Avenue on the main campus of the University of Arizona, would include a new two-story addition and renovation of existing building space to provide approximately 33,000 gsf of modern research labs and associated support space.

<table>
<thead>
<tr>
<th>Project Schedule (Beginning Month/Year)</th>
<th>Capital Development</th>
<th>Project Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>March 2017</td>
<td>March 2017</td>
</tr>
<tr>
<td>Design</td>
<td>June 2017</td>
<td>June 2017</td>
</tr>
<tr>
<td>Construction (Addition)</td>
<td>May 2018</td>
<td>April 2018</td>
</tr>
<tr>
<td>Construction (Renovation)</td>
<td></td>
<td>June 2019</td>
</tr>
<tr>
<td>Occupancy (Addition)</td>
<td>July 2019</td>
<td>May 2019</td>
</tr>
<tr>
<td>Occupancy (Renovation)</td>
<td></td>
<td>December 2019</td>
</tr>
</tbody>
</table>

**Project Budget:**

- **Total Project Cost** $31,500,000
- **Total Project Cost per GSF** $732
- **Construction Cost (New Addition – 21,000 GSF)** $20,755,000
- **Construction Cost per GSF (New Addition)** $482
- **Construction Cost (Renovation – 12,000 GSF)** $3,300,000
- **Construction Cost per GSF (Renovation)** $275

**Change in Annual Operation/Maintenance Cost**

- **Utilities** $66,000 $88,200
- **Personnel** $67,600 $67,200
- **Other** $32,500 $33,000

**Funding Sources:**

**Capital:**

- **Gifts** $6,000,000
- **ALSAM Foundation Funds** $31,500,000
- **UAHS Funds** $10,000,000

**Operation/Maintenance:**

- **College of Pharmacy Operating Budget** $166,000 $188,400
## EXECUTIVE SUMMARY

### Capital Project Budget Summary

**University:** The University of Arizona  
**Project Name:** College of Pharmacy Skaggs Building Addition and Renovation

<table>
<thead>
<tr>
<th>Date of Budget Estimate</th>
<th>Jun-17</th>
<th>Jan-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Land Acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Construction Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. New Construction</td>
<td>$14,100,000</td>
<td>$17,400,000</td>
</tr>
<tr>
<td>B. Renovation</td>
<td>$5,220,000</td>
<td>$3,300,000</td>
</tr>
<tr>
<td>C. Fixed Equipment</td>
<td>$</td>
<td>$60,000</td>
</tr>
<tr>
<td>D. Site Development</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>E. Parking &amp; Landscaping</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>F. Utilities Extensions</td>
<td>$260,000</td>
<td>$</td>
</tr>
<tr>
<td>G. Other (asbestos)</td>
<td>$1,175,000</td>
<td>$225,000</td>
</tr>
<tr>
<td><strong>Subtotal Construction Cost</strong></td>
<td><strong>$20,755,000</strong></td>
<td><strong>$20,985,000</strong></td>
</tr>
<tr>
<td>3 Consultant Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Construction Manager</td>
<td>$290,000</td>
<td>$230,000</td>
</tr>
<tr>
<td>B. Architect/Engineering Fees</td>
<td>$2,200,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>C. Other (Programming, Special Consult.)</td>
<td>$210,000</td>
<td>$75,000</td>
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<tr>
<td><strong>Subtotal Consultant Fees</strong></td>
<td><strong>$2,700,000</strong></td>
<td><strong>$2,305,000</strong></td>
</tr>
<tr>
<td>4 Furniture Fixtures and Equipment</td>
<td>$4,150,000</td>
<td>$700,000</td>
</tr>
<tr>
<td>5 Contingency, Design Phase</td>
<td>$625,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>6 Contingency, Construction Phase</td>
<td>$1,450,000</td>
<td>$750,000</td>
</tr>
<tr>
<td>7 Parking Reserve</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>8 Telecommunications Equipment</td>
<td>$700,000</td>
<td>$325,000</td>
</tr>
<tr>
<td><strong>Subtotal Items 4-8</strong></td>
<td><strong>$6,925,000</strong></td>
<td><strong>$1,850,000</strong></td>
</tr>
<tr>
<td>9 Additional University Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Surveys and Tests</td>
<td>$65,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>B. Move-in Costs</td>
<td>$175,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>C. Public Art</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>D. Printing/Advertisement</td>
<td>$30,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>E. Univ. Facilities &amp; Project Management</td>
<td>$700,000</td>
<td>$610,000</td>
</tr>
<tr>
<td>F. State Risk Mgt. Ins.</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td><strong>Subtotal Additional University Costs</strong></td>
<td><strong>$1,120,000</strong></td>
<td><strong>$860,000</strong></td>
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<tr>
<td><strong>TOTAL CAPITAL COST</strong></td>
<td><strong>$31,500,000</strong></td>
<td><strong>$26,000,000</strong></td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Project Site Location Map
Item Name:            Proposed Revisions to ABOR Policy 3-606 “Allocation of Land Fund Income” (Second Reading)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue:            The board office asks the board to approve the proposed revisions to ABOR Policy 3-606 relating to the distribution of the state land funds for the Eminent Scholars Matching Grant Program.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☒ Other: Policy Revision

Statutory/Policy Requirements

A.R.S.§15-1662-- Universities; funds and accounts

ABOR Policy 3-606A—Allocation of Land Fund Income

Background/History of Previous Board Action

- Proposition 123 was passed by the legislature in 2016 as a means to increase K-12 funding. While Arizona’s universities were not part of the K-12 lawsuit or settlement that spurred Proposition 123, they benefit from its passage as one of the beneficiaries of State Trust Land revenues. Under Proposition 123, the distribution rate increased from 2.5 percent to 6.9 percent, which translates to an additional $60+ million to the universities over the next ten years.
EXECUTIVE SUMMARY

- Currently, all income from state trust lands are used in accordance with the purpose specified in the state statute for each land fund:
  - Normal schools land funds for the benefit of the colleges of education at the universities;
  - Agricultural and mechanical colleges land fund for the benefit of the Ag & Engineering colleges;
  - Military Institute land fund benefits the military institutions (ROTC);
  - School of mines land fund benefits the UA’s Department of Mining (allocated directly to the UA); and
  - Eminent Scholars matching grant fund (formerly the Universities Land Fund) used for the benefit of attracting and retaining eminent faculty.

- The additional monies to the universities from Proposition 123 totaled $3.9 million in FY 2016 and $4.57 million in FY 2017. The majority of the land fund distribution benefits the Eminent Scholars funds.

State Treasurer Distribution of State Trust Lands for the Universities - FY 2016 and FY 2017

<table>
<thead>
<tr>
<th>University Land Fund</th>
<th>Before Prop 123</th>
<th>After Prop 123</th>
<th>Increase from Prop 123</th>
<th>ASU</th>
<th>NAU</th>
<th>UA</th>
<th>System Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2016</strong></td>
<td>2.5%</td>
<td>6.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Normal School</td>
<td>$92,986</td>
<td>$256,640</td>
<td>$163,655</td>
<td>$54,497</td>
<td>$54,497</td>
<td>$54,497</td>
<td>$163,491</td>
</tr>
<tr>
<td>A&amp;M Colleges</td>
<td>$231,892</td>
<td>$695,221</td>
<td>$443,329</td>
<td>$333,827</td>
<td>$40,343</td>
<td>$69,159</td>
<td>$443,329</td>
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<tr>
<td>Military</td>
<td>$13,989</td>
<td>$38,609</td>
<td>$24,620</td>
<td>$9,257</td>
<td>$5,638</td>
<td>$9,725</td>
<td>$24,620</td>
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<td>Eminent Scholars</td>
<td>$1,885,218</td>
<td>$5,203,202</td>
<td>$3,317,984</td>
<td>$1,795,029</td>
<td>$593,919</td>
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<td>$3,949,588</td>
<td>$2,192,610</td>
<td>$694,397</td>
<td>$1,062,417</td>
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<tr>
<td><strong>FY 2017</strong></td>
<td>2.5%</td>
<td>6.9%</td>
<td></td>
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<tr>
<td>Normal School</td>
<td>$103,719</td>
<td>$286,265</td>
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<td>$60,970</td>
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<td>$182,546</td>
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<td>$42,698</td>
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<td>$9,256</td>
<td>$6,505</td>
<td>$10,684</td>
<td>$26,445</td>
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<tr>
<td>Eminent Scholars</td>
<td>$2,206,243</td>
<td>$6,089,231</td>
<td>$3,883,988</td>
<td>$2,155,058</td>
<td>$687,289</td>
<td>$1,040,641</td>
<td>$3,882,988</td>
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<td></td>
<td></td>
<td>$4,571,730</td>
<td>$2,592,591</td>
<td>$797,462</td>
<td>$1,181,677</td>
</tr>
</tbody>
</table>

Maximum amount reallocated from Eminent Scholars for general-purpose in FY 2018

|                        | $3,950,087 | $1,281,208 | $1,969,677 | $7,200,972 |

- At its June 2017 meeting, the board approved a one-year waiver of the Eminent Scholars matching fund for use as general-purpose funds. At that time, board staff indicated that a policy revision would be forthcoming to allow the universities to use these funds for general purpose until Proposition 123 expires and as long as there are sufficient funds to match the interest earnings on their eminent scholars program. Proposition 123 is set to expire in 2025.
EXECUTIVE SUMMARY

- The policy revision limits repurposing to the additional monies generated from Proposition 123. The calculated amount based on the formula prior to Prop.123 will continue to support its original purpose, to match interest earnings on endowments created for the sole purpose of attracting and retaining faculty who have achieved eminence in their chosen field.

- The board reviewed this item on first reading at its November 2017 meeting.

Committee Review and Recommendation

- The Business and Finance Committee reviewed this item at its November 2, 2017 meeting and recommended forwarding the item to the full board for approval.

Requested Action

The board office asks the board to approve the proposed revisions to ABOR Policy 3-606(A), University Land Fund, as presented in this Executive Summary.
A. All income derived from those land funds specified in A.R.S. 15-1662 and appropriated to the Board for each fiscal year, shall be allocated among the universities as follows:

1. Universities Land Fund

   Beginning with the 1998-99 fiscal year, the universities land fund shall be known as the eminent scholars matching grant fund as that term is defined in A.R.S. §15-1663B. The eminent scholars matching grant fund shall be allocated proportionately among the three universities based upon the total student credit hours in the Fall of the previous fiscal year, from the university's fall 21-day enrollment report.

   a. FOR FISCAL YEARS 2015-2016 THROUGH 2024-2025, ANY INCREASE IN EXPENDABLE EARNINGS THAT RESULTS FROM A DISTRIBUTION OF MORE THAN TWO AND ONE-HALF PERCENT DUE TO PROPOSITION 123 (2016) MAY BE USED FOR EDUCATIONAL AND GENERAL EXPENSES, AS SPECIFIED BY THE PROPOSITION.

   b. THE DISTRIBUTION UP TO TWO AND ONE-HALF PERCENT WILL CONTINUE TO PROVIDE MATCHING FUNDS FOR THE EMINENT SCHOLARS PROGRAM.

2. Normal School Land Fund

   The income shall be allocated equally among the three universities.

3. Agricultural and Mechanical Colleges Land Fund

   a. One-half of the income shall be allocated to the University of Arizona.

   b. One-half of the income shall be allocated proportionately among the three universities based upon the student credit hours in the fall of the previous fiscal year generated in engineering programs at each university.

4. School of Mines Land Fund

   The income shall be allocated solely to the University of Arizona.

5. Military Institutes Land Fund

   The income shall be allocated proportionately among the three universities based upon the student credit hours in the fall of the previous
fiscal year generated in ROTC or military science programs at each university.
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EXECUTIVE SUMMARY

Item Name: Proposed Revisions to ABOR Policies 7-102 “Overview of the Capital Development Process and Phases”; 7-106 “Annual Capital Improvement Plans”; 7-107 “Capital Development Plan”; and Repeal of 7-109 “Project Approval” (Second Reading)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: The board office asks the board to approve the proposed revisions to board policies relating to capital process changes that expand the Capital Development Plan phase and eliminate the Project Approval phase.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☐ Other: Policy Revisions

Statutory/Policy Requirements

- ABOR Policy 7-102 “Overview of the Capital Development Process and Phases”
- ABOR Policy 7-106 “Annual Capital Improvement Plans”
- ABOR Policy 7-107 “Capital Development Plan”
- ABOR Policy 7-109 “Project Approval”

Background and Discussion

- The board has established a multi-phase capital project review and approval process in Chapter 7 of the ABOR Policy Manual.

- The process currently has project information submitted to the Business and Finance Committee and the board at least 3 times before construction can begin.
EXECUTIVE SUMMARY

Capital Development Plan and Project Approval Phases

- The process currently has project information submitted to the Business and Finance Committee and the board at least 3 times before construction can begin.

- The proposed changes eliminate the Project Approval phase and expand the Capital Development Plan (CDP) phase in order to reduce review and approval for a project from 3 times to 2 times.

- The changes are intended to ensure no loss of project information and focus board oversight on a comprehensive overview of the annual CDP and its alignment with the university strategic and business plans.

- The CDPs will have 3 sections that include:
  i. Status of projects from prior CDPs;
  ii. Proposed projects for the next 12 months, including information on the need, scope, budget, funding and financing plans, and alignment with the strategic and business plans.
  iii. University debt information and the impact of the CDP on the university’s debt profile.

- Approval of the CDP will give a university authority to take necessary actions to construct projects within the scope, budget and funding/financing parameters outlined in the CDP.

- Revised CDPs are required to be submitted to add new projects, or when project parameters exceed levels outlined in the CDP.

- A workgroup including ABOR office and university representatives will be established to develop a template the CDPs that include the sections outlined above. The template will be submitted to the Business and Finance Committee for information and feedback at the next meeting.

- The board reviewed this item on first reading at its November 2017 meeting.

Other Policy Changes

- After approval of the Capital Improvement Plans (3-year project plan), universities will be authorized to expend up to 10% of a project’s total estimated cost in preparation of developing the CDP (1-year plan).

- The threshold for capital projects required to go through the capital process is set at $10 million.

- Directs the ABOR office to work with the universities to develop guidelines on project cost estimates, fee schedules, and building and space specifications.
Committee Review and Recommendation

The Business and Finance Committee reviewed this item at its November 2, 2017 meeting and recommended forwarding the item to the full board for approval.

Requested Action

The board office asks the board to approve the proposed revisions to ABOR Policies 7-102 "Overview of the Capital Development Process and Phases"; 7-106 "Annual Capital Improvement Plans"; 7-107 "Capital Development Plan"; and Repeal of 7-109 "Project Approval", as presented in the Executive Summary.
EXECUTIVE SUMMARY

7-102 Overview of the Capital Development Process and Phases

A. Description:

1. The capital development process is divided into six phases: Master Plan, Capital Improvement Plan, Capital Development Plan Approval, Project Approval, Project Construction, and Project Closeout.

2. During the Master Planning Phase, the Business and Finance Committee and the board focus on the relationship between the university’s mission statement, strategic plan, and campus physical development plans.

3. During the Capital Improvement Plan (CIP) phase, the Business and Finance Committee and the board focus on the existing condition, utilization and expenditure of capital resources at each of the universities. The CIP includes a report on the university’s land and leasing activities building renewal needs, and deferred maintenance activities. In each report, the universities identify proposed capital projects for the coming fiscal year and forecast capital projects that may begin in the subsequent two fiscal years.

4. During the Capital Development Plan Approval phase the Business and Finance Committee and the board focus on the strategic planning perspective for proposed capital projects for the coming fiscal year 12 MONTHS. The university identifies potential capital projects that contribute to the attainment of the university mission statement and strategic plan, justify the project need AND COST, and defines elements of the scope, schedule, and budget, AND FUNDING AND/OR FINANCING PLAN. Capital Development Plan Approval allows the university to proceed to the Project Approval phase.

5. During the Project Approval phase the university completes the design and prepares construction documents. The Project Approval document serves as notification that the project is ready to advertise for bids, or acceptance of the final guaranteed maximum price, and enter the Project Construction phase.

6. During the Project Construction phase the university awards contracts, and constructs the project in accordance with ABOR Policy 3-804, (Professional Services and Construction Services Procurement).

7. During the Project Closeout phase the university obtains substantial completion, completes building commission, final inspection,
accepts and occupies the facility, and provides final payment to the consultants and contractors. The university performs a review and formal evaluation of the consultants’ and contractors’ performances.

B. Projects that Require Approval

1. All capital projects with an estimated total project cost of $5,000,000 or more for renovation or infrastructure projects, or $10,000,000 or more, INCLUDING for new construction or information technology AND THIRD-PARTY projects, shall be INCLUDED IN THE CAPITAL DEVELOPMENT PLAN brought to the Business and Finance Committee for approval regardless of funding source or financing structure. Non-information technology projects requiring approval shall be submitted for Capital Development Plan Approval.

2. Projects that originally were not required to enter the capital development process, but subsequently are forecasted to exceed the dollar thresholds as described above, must be submitted IN A REVISED CAPITAL DEVELOPMENT PLAN for Business and Finance Committee approval.

3. Capital projects where the board and the university share with other entities (Federal, State, local, development groups, public/private ventures, etc.) the control, financing, or ownership (current or future) of the project and/or its delivery process and that are subject to review under board policy 7-207, shall be included in the Capital Development Plan and reviewed by the Business and Finance Committee and approved by the board. The university shall seek guidance from the System Office to document the proposed process for board consideration. That process, at a minimum must include the following information, which may be provided in a single report or in a series of reports as details of the project are developed:

   a. Notice to the Business and Finance Committee of intent to pursue development of an eligible project, including proposed project scope and justification, as well as the process for providing a reasonable opportunity for competition.

   b. Notice to the Business and Finance Committee on development of negotiating parameters after the other entities have been identified or selected.
c. Submission for Business and Finance Committee and board consideration:

(1) Identification of significant changes since capital development plan approval;

(2) Proposed project schedule;

(3) Project delivery method and process; as well as project construction, maintenance and operational standards;

(4) Fiscal impact and financing plans, and other related information that includes, but is not limited to, funding sources, debt payments, and estimated operation and maintenance costs, including quality control measures that will protect university interests in the areas of project financing;

(5) Project budget estimates and process used for developing estimates, including the use of qualified professionals;

(6) Outline of other entities involved (if applicable) including the equity position of other entities, anticipated returns to other entities, and/or contributions of other entities;

(7) Lease terms, including any ownership transition or purchase options, and

(8) Description of other related projects including related infrastructure improvements.

d. Project updates in the quarterly capital project status report.

C. Related Projects

1. The universities are responsible for defining the parameters (size, cost and discrete elements) of capital projects with the following provisions:

   a. The parameters of a project shall not be defined with the objective to bypass or minimize the requirements set forth in board policy.
b. The overall plans and costs for related and/or phased projects should be documented for consideration by the Business and Finance Committee.

2. GROUPS OF RELATED PROJECTS THAT WILL BE COMBINED UNDER A SINGLE PROCUREMENT THAT EXCEEDS THE APPROVAL THRESHOLD FOR CAPITAL PROJECTS SHALL BE INCLUDED IN THE CAPITAL DEVELOPMENT PLAN. If the board grants Capital Development Plan Approval for a group of related projects, Project Approval is necessary for any phase that exceeds the approval threshold for capital projects. Projects within a project group shall share common attributes, such as location, project type, etc. Projects with no common attributes may not be bundled into one project group.

D. Description of Project Financing:

1. Universities must designate funding sources, including annual debt service if required to construct each project proposed in the Capital Development Plan. Notwithstanding this designation by the universities, the Business and Finance Committee must review, and the board must approve the specific issuance of bonds, lease-purchase agreements, certificates of participation, or any debt instrument regardless of total project cost.

   a. Universities have authority to issue and maintain a commercial paper program for capital financing provided the use of commercial paper is identified in the project fiscal management plan submitted for board approval, including:

      (1) Total amount to be issued,

      (2) Anticipated and maximum interest rates and pricing parameters, and

      (3) Anticipated final maturity date or final renewal periods for the Commercial Paper.

2. Request for debt issuance approval INCLUDED IN THE CAPITAL DEVELOPMENT PLAN must disclose fully the estimated costs of the project and the debt issuance, information on debt capacity, outstanding debt levels, and debt service payments.

3. Any capital project funded with debt may not increase the university’s debt ratio to more than 8% for any year shown in the capital improvement plan.
4. The final maturity of any capital financing undertaken by a university will not exceed 40 YEARS, OR the estimated useful life of the capital asset being acquired or constructed, WHICHEVER IS LESS.

5. In requesting authority for capital debt, each university shall provide written justification for the debt instrument requested that will include the assumptions made for the source of resources for the repayment of the debt, and the fiscal impact.

6. Request for debt issuance may be combined with the request for project approval.

7. If projects require specific Legislative review:
   a. The projects may be presented to the Legislature, or its designated committee, for review after receiving Capital Development Plan approval. However, projects shall have legislative review prior to construction.
   b. Both the request for Legislative review and the request to the board for bond issuance shall display full disclosure of the estimated costs of the project, and if applicable, the bond issuance.
   c. Use of bond authority for a project in excess of the amount initially approved by the board and reviewed by the Legislature will require board approval prior to seeking review from the Legislature.

E. THE SYSTEM OFFICE AND UNIVERSITIES SHALL DEVELOP GUIDELINES RELATED TO DEVELOPING PROJECT COST ESTIMATES, FEE SCHEDULES, AND BUILDING AND SPACE SPECIFICATIONS. Total Project Cost Estimating:

1. The Regent’s Construction Cost Control and Professional Fee Guidelines (Guidelines) shall be considered in developing cost estimates and calculating building replacement values. In addition, other industry cost guidelines or internal historical data may be used, including inflation factors to ensure the reasonableness of the cost estimates.

2. The Guidelines are published separately and contain fee schedules for architects/engineers, construction managers and contingencies; inflation factors; building and space specifications; and cost matrices for construction of exterior and interior spaces.
3. The Guidelines shall be reviewed and updated by an outside cost estimating consultant. Revisions shall be initiated by the System Office and universities, and approved by the President of the board.

F. Public Art for Major Capital Projects

1. Funds to provide public art may be budgeted for any major building to be constructed or renovated. Major buildings are those with total project costs of $1,000,000 or greater.

2. Funds will be for the purpose of placing, maintaining, repairing, removing or inventorying works of art (murals, frescoes, sculptures, fountains, mosaics, etc.) in or around university facilities.

3. The funded amount for public art shall not exceed one-half of one percent (0.5%) of the construction cost for any major building.

G. Building Design for persons with Disabilities: All new buildings and structures constructed or renovated at each institution shall comply with the provisions of The Arizonans with Disabilities Act of 1992, A.R.S. §41-1492 et seq., and any amendment thereof relating to making public buildings accessible and functional for the disabled.

H. Plaques For Buildings: Plaques installed on new buildings at each institution shall carry the names of the Governor and other Members of the board in office at the time the construction contract was awarded, together with the President of the institution, the architect, the contractor, and other participants deemed appropriate.

I. Forms referenced in Chapter VII: Under the direction of the President of the board, the System Office and the universities have the responsibility to update and improve the various reports referenced in board policy with the objective of presenting information to the Business and Finance Committee and the board in an effective format and manner.
EXECUTIVE SUMMARY

7-106 Annual Capital Improvement Plans

A. Each university will complete an annual Capital Improvement Plan as required by state statute.

B. The annual Capital Improvement Plan serves three main functions:
   1. To serve as a reference documents for current facilities inventory and related financial management information;
   2. To request general fund monies, including building renewal, from the state; and
   3. To identify capital projects the university intends to implement during the next fiscal year along with a forecast of proposed activities in the following two (2) fiscal years.

C. Process:
   1. Guidance shall include, but not be limited to:
      a. Limitations on the general fund request;
      b. Systemwide prioritization of the general fund request;
      c. Requirements for necessary Board approvals or requisite documents for project placement in the Annual Capital Improvement Plans; and
      d. Limitations on the amount of outstanding debt as demonstrated by the debt capacity reports.

D. Each university will submit to the Board a fully developed Capital Improvement Plan in accordance with the calendar approved by the Chair of the Business and Finance Committee. The Plan shall include the following elements:
   1. All Funds Summary
   2. Building Renewal Report
   3. Deferred Maintenance Report
   4. Building Inventory
   5. Lease Report
   6. Land Report
   7. Capital Project Status Report
   8. One-Year Capital Plan plus a Two-Year Forecast
9. Project Descriptions, Justifications, Scope, Delivery Method and Budgets, including alignment with university-specific and system-wide strategic plans and goals.

10. Debt Capacity

E. In preparing for the Capital Development Plan Submittal, the universities are authorized to expend up to 10% the greater of $750,000 or 5% of the preliminary total project cost for outside professional and consultant services.
7-107 Capital Development Plan

A. Applicability: The Capital Development Plan Phase will be used for those projects meeting the requirements as previously defined in this chapter.

B. Schedule:

1. Each university shall submit an annual Capital Development Plan for the upcoming 12 MONTH PERIOD fiscal year in accordance with the calendar approved by the President of the Board. Capital Development Plans are reviewed by the Business and Finance Committee and approved by the Board.

2. Projects included in the Capital Development Plan are generally carried forward from the previously approved Capital Improvement Plan.

3. No capital project can go forward if it has not been included in an approved Capital Development Plan.

4. A capital project need not be included in a Capital Development Plan once it has received Project Approval.

5. If a project does not move forward for Project Implementation Approval in the applicable fiscal year, it must be resubmitted for inclusion in a subsequent Capital Development Plan.

6. The Capital Development Plan may be considered for an optional mid-year revision in accordance with a calendar established by the President of the Board. Revisions may include the addition of new projects, project budget adjustments, and deletion of projects.

7-3. Amendments to the Capital Development Plan may be REVIEWED considered for approval at regular Business and Finance Committee meetings AND CONSIDERED FOR APPROVAL AT REGULAR BOARD MEETINGS for projects requiring budget and/or scope increases outside of Board thresholds found in Board Policy 7-107E.5, and for new projects added outside of the regular capital development plan schedule.

C. Phase Description:

1. Capital Development Plan Approval focuses on strategic planning perspective and shall be based on:
EXECUTIVE SUMMARY

a. The mission, strategic plan, and master plan of the university, and support of system-wide strategic plans and goals;

b. A REVIEW OF THE STATUS OF PROJECTS IN PRIOR CAPITAL DEVELOPMENT PLANS, INCLUDING PROJECTS COMPLETED IN THE LAST 12 MONTHS, PROJECTS UNDER CONSTRUCTION, AND PROJECTS NOT YET STARTED;

c. Advance planning such as the initial development of a facility program and/or architectural program that justifies the project; and

d. The preliminary total cost, FINANCING PARAMETERS, including sources and uses of funds; AND

e. THE FINANCING IMPACT OF THE CAPITAL DEVELOPMENT PLAN ON THE UNIVERSITY’S DEBT PROFILE.

2. Each NEW project submitted for Capital Development Plan Approval shall include a concise Project Justification Report to the Board. This Project Justification Report shall be developed in cooperation with the System office to ensure materials address the needs of the Business and Finance Committee and the Board. The Project Justification report should justify the need for the project based upon the university’s mission, strategic plan, and other supporting documentation. The Project Justification Report shall include the following information:

a. Prior Business and Finance Committee and Board action;
b. Statutory and Policy requirements;
c. Project justification, strategic implications, and project compliance with mission, university and system strategic plans and goals, campus master plan and community input process. When applicable, this section may also include a review of how the project aligns with the following institutional priorities:

   (1.) Academic and research needs
   (2.) Student support requirements
   (3.) Operational priorities
   (4.) Funding sources/financing options

d. Project description, scope and compliance with space standards, including the expended useful life of the project;
e. Project delivery method and process;

f. Project costs and the methodology used to develop the total project cost, including estimates prepared by professionals and comparison of cost to other similar previously approved projects and completed projects from the databases established pursuant to Board Policy 7-110B.4 (Project Construction, University Procedures), including an explanation of significant cost differences from the comparable projects;

g. Project status and schedule;

h. A fiscal impact and finance plan, which explains how the university intends to fund the project, including annual debt service and the impact to the funding sources that will pay the debt service, as well as annual operations and maintenance costs;

i. A backfill plan, in which the university identifies potential programs, functional uses, or non-use (e.g., demolition of a building) of the space that is released as a result of the project;

j. Alternatives to the project in which the university explains what alternatives to the project were investigated, and why those options were not selected. The explanation may include, but not be limited to:

   (1) Whether the program could be accommodated in existing space (e.g., rescheduling, more efficient use of space)
   (2) Whether the program could be accommodated in off-campus lease space
   (3) Whether the space could be constructed in partnership with the private sector

k. A description of other related projects including related infrastructure improvements;

l. Capital Project cost estimate; and

m. Project site plan.

3. In preparing for the Capital Development Plan submittal, the universities are authorized to expend up to 10% the greater of
$750,000 or 5% of the preliminary total project cost for outside professional and consultant services. Expenditures for outside services may be included in the project budget.

4. Substantially completed Capital Development Plan Approval documents shall be submitted to the System office for review and comment no later than thirty (30) calendar days prior to the pertinent Business and Finance Committee meeting. If the deadline is not met, the Chair of the Business and Finance Committee shall have the option to withhold the documents for a subsequent Business and Finance Committee meeting.

D. University Facility/Architectural Program Procedures

1. The universities will develop procedures to specify the information requirements and process for programming the facility.

2. A facilities/architectural programmer, who has experience in translating facility users’ needs into space, room, and equipment requirements for similar facilities, should define the space requirements.

3. A programming committee should be established and structured to ensure that the specified program represents an appropriate tradeoff between facility users’ desires and a plan that maximizes value to the university.

4. The program should include information specifying space requirements, other program requirements, and special requirements.

E. Authority Granted by Capital Development Plan Approval

1. Capital Development Plan Approval represents Board approval of the project concept, scope, and preliminary total costs, AND FINANCING PARAMETERS INCLUDING SOURCES AND USES OF FUNDS.

2. Capital Development Plan Approval authorizes the universities to proceed to the Project Approval Phase, which includes:

   a. Contracting for necessary consulting, CONSTRUCTION, and other applicable services to initiate and complete design, cost estimating, INDEPENDENT COST VERIFICATION, construction documents, and ENTER THE PROJECT CONSTRUCTION PHASE initiate alternative
building delivery processes (i.e., construction manager-at-risk, design/build)

b. Preparation for proceeding with project financing

c. Seeking legislative review for debt-funded or third-party debt-funded projects

3. The University may transfer funds among expenditure categories in the total project budget without Board approval.

4. Amended Capital Development Plan Approval is required for:

   a. ANY PROJECT REQUIRING REASSIGNING OR CHANGING 15% OR MORE OF THE NET ASSIGNABLE SQUARE FEET;

   b. ANY PROJECT COST INCREASES;

   c. ANY INCREASES TO THE PARAMETERS IN THE FISCAL IMPACT AND FINANCING PLAN PRESENTED IN THE PROJECT JUSTIFICATION REPORT.

   d. NEW PROJECTS ADDED OUTSIDE OF THE REGULAR CAPITAL DEVELOPMENT PLAN.

      a. Increases of 5% or more of the estimated total project cost

      b. New projects added outside of the regular Capital Development Plan schedule

      c. As a result of programming or other causes, the project requires reassigning or changing 15% or more of the net assignable square feet

      d. The project does not obtain Project Approval within 12 months of being granted Capital Development Plan Approval.
7-109 Project Approval

REPEALED

A. Applicability: The Project Approval Phase will be used for those projects granted Capital Development Plan approval by the Board.

B. Phase Description:

1. In preparation for the Project Approval phase, the University completes design and develops and completes construction documents.

2. A bid advertising date is established for projects utilizing a design-bid-build process; or a guaranteed maximum price is obtained for projects utilizing the design/build or construction-manager-at-risk processes.

3. Information is developed for the final total project cost estimate, including independent cost verification. Each University shall develop procedures to specify the required information and process for preparing cost estimates for Project approval. The procedures shall be designed to meet the following guidelines:

   a. The construction manager and/or the design consultant shall normally prepare project estimates. A corroborating cost estimate must be obtained from an outside cost estimating or design consultant for all projects. For construction-manager-at-risk estimating, consultant may be considered as the required independent, corroborating estimate, to be reconciled with the construction-manager-at-risk's separately prepared estimate.

   b. The estimates shall be reviewed and approved by in-house staff. An explanation in the Project approval documents is required when the corroborating cost estimate differs from either the Regents' Construction Cost Control and Professional Fee Guidelines estimate or a separate estimate by 5% or more.

   c. The Universities shall develop and use a cost information database to record costs for capital projects.

C. Level of Board Review

Projects may be granted project approval by the Business and Finance Committee based upon the budget, schedule, scope, and other
considerations as warranted. At the Committee’s discretion, any project approval request may be presented to the Board as circumstances warrant. The Committee shall report to the Board on project approval actions.

D. Authority Granted by Project Approval:

1. The Project Approval document serves as notification that the project is ready to advertise for bids, or acceptance of the final guaranteed maximum price, and enter the project construction phase.

2. A project must be resubmitted for Business and Finance Committee approval, if:

   a. The project requires reassigning or changing 15% or more of the net assignable square feet, or

   b. The total project cost increases.

   c. The university does not initiate construction within 12 months.
Item Name: Report on the Academic and Student Affairs Committee Meeting

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

Issue: The board office asks the board to review the report of the January 25, 2018 Academic and Student Affairs Committee Meeting.

Enterprise or University Strategic Plan

- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other: Committee Report

Agenda Highlights
The Academic and Student Affairs Committee
January 25, 2017

1. General Education Quality Assurance Review Series
   - Provosts and regents discussed general education quality as it relates to transfer as well as data about general education. Following are critical takeaways and/or recommendations:
     - Increasing AGEC and/or Associate’s Degree completion is imperative for both community colleges and universities
     - Adequate math and writing preparation needs improved collaboration between K-12, high schools, community colleges, and universities
     - Discrepancies between the universities in terms of non-transferable credits and electives merits further consideration
     - Given the transience of many students who take general education courses at multiple institutions, general education quality assurance is an important component of the articulation process
     - AZTransfer work is important, but the responsibility of transfer

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EXECUTIVE SUMMARY

student enrollment and success lies with the higher education institutions.

- One action item included having Kelly Robles from AZTransfer compile a report to highlight where community college students were going upon transfer.

2. Request for New Academic Programs (University of Arizona)

Outcomes and Assignments:

- The committee recommended forwarding to the board for approval the request for new academic programs at University of Arizona with the exception of Applied Humanities, which will be amended and submitted to the full board for approval.

  Committee approved programs:
  o Bachelor of Science in Statistics and Data Science
  o Bachelor of Arts in Statistics and Data Science
  o Bachelor of Science in Education and Rehabilitation Studies and Services
  o Bachelor of Science in Education and Deaf Studies
  o Bachelor of Science in Nutrition and Food Systems
  o Bachelor of Arts in Food Studies
  o Masters in Healthcare Management
  o Master of Science in Business Analytics
  o Master of Medical Studies
  o Ph.D. in Applied Ethnomusicology

  Committee approved disestablishment of a high demand program:
  o Masters of Science in Natural Science for Teachers

  Committee approved elimination of Academic Units:
  o College of Letters, Arts, and Sciences
  o Outreach College

3. Request for New Academic Programs for Arizona State University

Outcomes and Assignments:

- The committee recommended forwarding to the board for approval the request for new academic programs at Arizona State University.

  Committee approved programs:
  o Bachelor of Fine Arts in Film and Media Production
  o Bachelor of Science in Astronomical and Planetary Sciences
  o Bachelor of Science in Data Science
Requested Action

This item is provided for information only. No action is required by the board.
Item Name: Proposed Revisions to ABOR Policy 2-223 “Academic Strategic Plans” (Second Reading)

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

Issue: The board office asks the board to approve the proposed revisions to ABOR Policy 2-223 “Academic Strategic Plans.”

Enterprise or University Strategic Plan

- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other:

Statutory/Policy Requirements

ABOR Policy 2-223 – Academic Strategic Plans

Background/History of Previous Board Action

In order to update procedures related to new program requests submitted by the universities to the board for approval, the board office is proposing revisions to ABOR Policy 2-223 “Academic and Strategic Plans.” The proposed revisions add the academic strategic plans to the universities’ Operational and Financial Review (“OFR”) presentations and require the inclusion of market need and assessment plans in new program requests. The proposed revisions also clarify that academic and strategic plans will be submitted to the Academic and Student Affairs Committee for review and to the full board for approval.

The board reviewed this item and approved it for immediate implementation at its November 2017 meeting.

Discussion
- The current policy states that each university must present an academic strategic plan to the Academic and Student Affairs Committee annually. In order to better
EXECUTIVE SESSION

connect academic strategic plans to the larger university picture of its strategic plan, this presentation has been embedded in the OFR.

- In order to meet the board expectation that new program requests should include identified market need and assessment plans, the policy has been revised to include those items.

Committee Review and Recommendation
The Academic and Student Affairs Committee reviewed this item at its November 2, 2017 meeting and recommended forwarding the item to the full board for approval.

Requested Action
The board office asks the board to approve the proposed revisions to ABOR Policy 2-223 "Academic Strategic Plans."
EXECUTIVE SESSION

2-223 Academic Strategic Plans

A. The Academic Strategic Plan

1. Annually each University shall present an Academic Strategic Plan to the Academic Affairs Committee TO THE BOARD AS PART OF THE ANNUAL OPERATIONAL AND FINANCIAL REVIEW (OFR) PRESENTATION. THE ACADEMIC STRATEGIC PLAN SHOULD INCLUDE ANTICIPATED INITIATIVES FROM THE POINT AT WHICH THE OFR IS PRESENTED TO THE NEXT TIME THAT THE OFR IS DUE.

2. The Academic Strategic Plan shall define the institution’s key academic initiatives and describe how they support the Enterprise Plan and the University’s Strategic Plans.

3. The Academic Strategic Plan shall include:

   a. Plans to establish new academic programs and to eliminate specific types of academic programs, described below.

   b. Plans to establish and eliminate academic organizational units, described below.

   c. Proposals to require more than 120 credits in an undergraduate program.

   d. Plans to apply more than 64 Community College credits toward the undergraduate degree requirements for a specific major.

   e. Plans to offer lower division credit courses outside of an established campus in a county served by a Community College. Proposals should include confirmed consultation between the Provost of the University and Provost and/or President of the Community College. The consultation should include opportunities for University and Community College partnerships. Connection of the proposal to the University’s Strategic Plan and the estimated timing for course implementation. Lower division courses not included in the Community College Course bank or that the Community College chooses not to offer and lower division courses delivered electronically are exempt from the provisions of this section.
4. Amendments to the Academic Strategic Plan may be considered for approval at meetings of REVIEWED BY the Academic AND STUDENT Affairs Committee AND FORWARDED TO THE FULL BOARD FOR APPROVAL.

5. The Academic Strategic Plan shall be submitted in a format determined by the Board President.

B. Academic Degree Programs

1. The Academic Strategic Plan shall include an inventory of all academic degree programs that are expected to be established in the upcoming year. A DESCRIPTION OF ANTICIPATED ACADEMIC INITIATIVES AND PROGRAMMING, NEW DELIVERY METHODS, AND DIFFERENT EMPHASES WITHIN PROGRAMS.

2. ONCE THE ACADEMIC STRATEGIC PLAN IS APPROVED, THE UNIVERSITIES WILL SUBMIT NEW PROGRAM REQUESTS TO THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE WHICH WILL REVIEW AND IF APPROPRIATE, FORWARD TO THE FULL BOARD FOR APPROVAL.

2. a. The plan A NEW PROGRAM REQUEST shall include a justification for the establishment of any new program and identify similar programs that are already offered by another Arizona public university. THE REQUEST SHALL ALSO INCLUDE IDENTIFIED MARKET NEED FOR THE NEW PROGRAM, AS WELL AS AN ASSESSMENT PLAN THAT INCLUDES LEARNING OUTCOMES, ASSESSMENT METHODS, INSTRUMENT(S), AND INTERNAL AND EXTERNAL MEASURES TO IDENTIFY TO WHAT EXTENT STUDENTS ARE ACHIEVING THE INTENDED LEARNING OUTCOMES AND WHERE IMPROVEMENTS ARE NEEDED.

b. The Academic Strategic Plan shall address any plans to eliminate programs in high demand fields at the graduate and undergraduate level, as determined by the Arizona Board of Regents.

3. A University may implement any program listed on the approved Academic Strategic Plan that will not require additional state resources or a program fee for the initial 3 years of the program.
EXECUTIVE SESSION

Additional information must be submitted for an academic program that will require additional state resources or a program fee to implement either with the Academic Strategic Plan or subsequently during the 3 year period, and prior to requesting the fee during the tuition and fee setting process or including the program on the institution’s budget request. The UNIVERSITY’S request to the committee will be submitted on a form approved by the Board President and will include the justification for the fee and the plans for the program should the fee not be approved.

4. Subject to review by the Chief Academic Officers, an academic degree program authorized by the Board for a specific University campus may be offered by any other campus or delivery site of that institution, if no additional state resources or program fee will be required for the initial 3 years that the program is offered at that location.

5. After collective review by the Chief Academic Officers, a University may request authorization from the Academic Affairs Committee BOARD to establish a new program or eliminate programs in a high demand field not listed on the Academic Strategic Plan. Elimination of programs not in high demand fields does not require Committee BOARD approval.

6. A University may not admit students to a new program approved for implementation by the Academic Affairs Committee BOARD until substantially all of the funds, identified in the projected budget, are available from existing resources or firmly assured by legislative appropriations or other sources of funding and such funds are committed by the University President for the support of the program.

7. Any program that is going to be reflected in the budget process should be submitted to the Academic Affairs Committee AND THE BOARD early enough to allow time to evaluate the budgetary impact.

8. The Board President is authorized to approve the following changes to academic programs, following collective review by the Chief Academic Officers:

   a. The disestablishment of any academic degree program determined not to be in a high demand field or the merger of two or more academic degree programs;
b. Change in the title of an academic degree program; and  
c. Transfer of an academic degree program from one organizational unit to another.

9. The Board President shall DIRECT THE UNIVERSITY TO submit to the Committee for REVIEW AND TO THE FULL BOARD FOR approval any changes that the President deems to be of major significance.

10. Upon request of the Chair of the Academic Affairs Committee, the President of the Board shall report to the Committee all of the academic program changes authorized by the President.

11. All information included in the University catalogs concerning academic degree programs and courses must be consistent with Board actions and Policies.

C. Academic Organizational Units

1. The Academic Strategic Plan shall include an inventory of any new school or college or department the institution plans to establish in the upcoming year and any existing such units to be eliminated or merged with another unit.

2. The request for a new academic unit shall include:
   a. Information regarding the number of students to be served;
   b. The need for the unit, the relationship to the institution’s mission and strategic plan and the Board’s Enterprise Plan;
   c. Source of funds; and
   d. Faculty and other positions needed to staff the unit.

3. The Academic Strategic Plan shall provide a rationale for the disestablishment or merger of an academic unit, the benefit to the institution and Enterprise Plan and information on any financial savings that may be realized from the change.

4. The Board President is authorized to approve organization unit name changes, after collective review by the Chief Academic Officers.
5. The President shall submit to the Committee for REVIEW AND TO THE FULL BOARD FOR approval name changes of major significance.

6. Upon request of the Chair, the Board President shall report to the Committee name changes authorized by the President.

7. All information included in university catalogs concerning academic organizational units must be consistent with Board actions and policies.
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EXECUTIVE SUMMARY

Item Name: Request for New Academic New Program for Arizona State University (ASU)

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: Arizona State University asks the board to approve the new program requests effective in the 2018-2019 catalog year.

Enterprise Strategic Plan

☐ Empower Student Success and Learning
☒ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☒ Other: Academic Strategic Plan

Statutory/Policy Requirements

ABOR Policy 2-223.A, “The Academic Strategic Plan”

Background/History of Previous Board Action

As provided in the board policy, new program requests may be submitted throughout the year with the approval of the Academic and Student Affairs Committee.

Discussion

Arizona State University seeks to add new programs for implementation in the 2018-2019 Academic Year. This request is for new academic programs:

- Bachelor of Fine Arts in Film and Media Production
- Bachelor of Science in Astronomical and Planetary Sciences
- Bachelor of Science in Data Science

Contact Information:
Mark Searle, Provost 480-965-9585 mark.searle@asu.edu
Shelley McGrath, ABOR 602-229-2529 shelley.mcgrath@azregents.edu
Degree planning at ASU is founded on the Charter: ASU is a comprehensive public research university, measured not by whom it excludes, but by whom it includes and how they succeed; advancing research and discovery of public value; and assuming fundamental responsibility for the economic, social, cultural and overall health of the communities it serves.

The new degree programs advance issues of culture, science and the use of big data. They leverage our place, transform society, value entrepreneurship, include use-inspired research, enable student success, fuse intellectual disciplines, are socially embedded, and engage students with issues locally, nationally and internationally.

Committee Review and Recommendation
The Academic and Student Affairs Committee reviewed this item at its January 25, 2018 meeting and recommended forwarding the item to the full board for approval.

Requested Action
Arizona State University asks the board to approve the new program requests for the degree programs listed above.
### Arizona State University

**Proposed New Program Summary**

<table>
<thead>
<tr>
<th>Proposed New Programs</th>
<th>Degree</th>
<th>College/School</th>
<th>Location of Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Film and Media Production</td>
<td>BFA</td>
<td>Herberger Institute for Design and the Arts</td>
<td>Tempe</td>
</tr>
<tr>
<td>Astronomical and Planetary Sciences</td>
<td>BS</td>
<td>College of Liberal Arts and Sciences</td>
<td>Tempe</td>
</tr>
<tr>
<td>Data Science</td>
<td>BS</td>
<td>College of Liberal Arts and Sciences</td>
<td>Tempe</td>
</tr>
</tbody>
</table>
Table 1 - Proposed New Programs

<table>
<thead>
<tr>
<th>Name of Proposed Degree (degree type and major), College/School, Location, Anticipated Catalog Year</th>
<th>Program Fee Required?</th>
<th>Brief Description Justification and Identified Market Need</th>
<th>Learning Outcomes and Assessment Plan</th>
<th>Projected 3rd Year Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Undergraduate Degrees</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Bachelor of Fine Arts in Film and Media Production</td>
<td>Yes</td>
<td>The Bachelor of Fine Arts in Film and Media Production is a hands-on creative production and pre-professional degree program including courses about the function of film, media and television in the world; ethical filmmaking practices; interdisciplinary collaboration; and the responsibility of the media artist in society. This program in film production will promote inclusivity and accessibility through the emphasis of the connection between film and media artists, the communities they represent and the audiences they serve.</td>
<td>Learning Outcome 1: Graduates of the program will demonstrate an understanding of ethical filmmaking practices and the value of professional leadership.</td>
<td>275</td>
</tr>
<tr>
<td>Herberger Institute for Design and the Arts</td>
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<tr>
<td>School of Film, Dance and Theater</td>
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<td></td>
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<tr>
<td>(Tempe)</td>
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<tr>
<td>2019-2020</td>
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<tr>
<td>The need for innovative, skilled and efficient digital storytellers has never been greater. From viral videos to web series; from commercials to corporate presentations; from on-demand binge-worthy series and bold independent films to global blockbusters, filmmaking and the media need dynamic, original, and impactful content now more than ever. Graduates of this program will have the visual storytelling skills required to convey information in our increasingly media driven society. Market Need: The Bureau of Labor Statistics predicates a strong 12% growth over 10 years for producers and directors; 16% for film and video editors; and 6% for camera operators in film, television and digital media. The Occupational Information Network (O*NET) projects a 9% U.S. and 15% Arizona 10-year growth for producers and directors; 2% U.S. and 19% Arizona for writers and authors; and 6% U.S. and 18% Arizona for public relations specialists. Related support positions will also see a strong growth as organizations, businesses</td>
<td>accordance with industry standards, incorporating ethics and leadership. Measures The curriculum will be refined based on measures indicating student ability to recognize the ethical issues in film and media production, apply accurate perspectives and concepts to the issues, consider the implications of actions in relation to the application of these perspectives and concepts, and defend adequately their positions. Learning Outcome 2: Graduates of the program will demonstrate an understanding of the value of collaboration across the visual and performing arts. Concepts: Collaboration and group communication. Competencies: Listening, feedback, cooperation, the understanding of context and culture, and appreciation of difference. Assessment Methods: In FMP 300 Focus on Film, final projects will be assessed with a faculty designed rubric that incorporates collaboration across modalities such as dance, theatre, music, visual arts and digital culture.</td>
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</table>
and communities across the social spectrum increase their informational outreach through film and media production due to less expensive technology and a decentralized industry. These circumstances have spurred major growth and expansion with over 30,000 full-time job postings on indeed.com under “media production,” “video production,” and “film production” (with less than 1/6 in Los Angeles or New York).

According to the National Association of Theatre Owners (NATO), global box office receipts totaled over $38 billion in 2016, an increase of 2% from previous years, and the number of screens worldwide grew by 8%. Over 1.3 billion tickets were sold in 2016 in the U.S., nearly one and a half times the number of tickets sold to theme parks and the four major professional sports combined. The six major studios spend about $5 billion a year on feature film production and, combined with the major television networks, spend approximately $10 billion a year on television and series production.

**Measures**
The curriculum will be refined based on measures indicating student ability to collaborate with others across art forms in the production of short films and live event programming through effective communication and creative collaboration.

**Learning Outcome 3:** Graduates of the program will be able to synthesize research and think critically about research from communities across the social spectrum and in diverse subjects from politics to education, health care to sustainability, scientific research to the arts, in the making, viewing and study of film media.

**Concepts:** Critical understanding of film and media, shared narrative as a foundation for civil discourse, and audience interpretation.

**Competencies:** Analysis of images, actions and subjects from television and films within a context of societal evolution and shifting interpretation. Knowledge of contemporary culture and cultural history; traditions of storytelling and narrative; elements of live performance; the relationship between the artist, the work of art, and the viewer; and the ability to analyze work for both quality and substance.

**Assessment Methods:** In FMP 250 Ethics
| New players are also emerging in the marketplace for original content. The newest investor is Apple, which will spend $4.2 billion by 2022. In 2018, Amazon is projected to spend nearly $5 billion on original content, while Netflix announced they will spend nearly $8 billion. | Survey and THF 220 Principles of Dramatic Analysis, projects are evaluated against a faculty developed critical thinking rubric, and in the FMP 480 and 481 Film Production Capstones, projects will be assessed against a faculty developed rubric emphasizing the application of critical thinking skills and relationality in the creation of film and media. |
| Measures |
The curriculum will be refined based on measures indicating student ability to gather and interpret information to evaluate narratives, create art based on empathic narrative and principles of visual design and composition, and establish the relationship of the artist to subject and audience. |
<p>| Learning Outcome 4: Graduates of the program will be able to conceive, develop, revise, and present a unique and personal creative work that reflects the student's artistic style, technical skills and professional vision. |
| Concepts: Creativity, originality and coherent aesthetic form. |
| Competencies: The conception and execution of an original film or media product; technical skill in mediated communication; the articulation of a professional vision; and the transformation of ideas into coherent mediated |</p>
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<th>forms.</th>
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</table>

**Assessment Methods:** A faculty developed rubric that assesses the connection of students to the audiences they represent and the communities they serve through the exhibition of original creative film or media works. Portfolios will be assessed by a faculty committee with a faculty determined rubric that includes an assessment of acquired competencies, and the creation and presentation of narratives in novel and unique ways that adhere to the student’s goals and intentions.

**Measures**
The curriculum will be refined based on measures indicating student ability to exhibit work through student organization film festivals, faculty showcase screenings and local or regional film festivals. Ability to produce a creative portfolio that highlights the students’ most significant accomplishments and articulates each student’s creative goals as well as the specific skills and practices required of digital storytelling (screenwriting, directing, producing, cinematography, editing, and sound recording and design).
**EXECUTIVE SUMMARY**

| Bachelor of Science in Astronomical and Planetary Sciences | No new program fee | The Bachelor of Science in Astronomical and Planetary Sciences offered by the faculty of the School of Earth and Space Exploration provides a broad educational background in earth and space sciences along with cross-disciplinary work in related and complementary fields such as physics, geology, biological sciences, sustainability, education and technical writing. The degree will integrate traditional work in astronomical and planetary sciences, mathematics and physics with content from a cross-section of related disciplines to produce well-rounded graduates. Students graduating with this degree program will possess strong foundations in an array of basic skills attractive to employers, including scientific literacy, quantitative reasoning, written communication, problem-solving and critical and analytical thinking. |
| College of Liberal Arts and Sciences | | Market Need: According to the American Astronomical Society (https://aas.org/learn/careers-astronomy), students with undergraduate degrees in |
| School of Earth and Space Exploration (Tempe) | | **Learning Outcome 1**: Graduates of the program will be able to apply astronomical concepts and principles of physical science to articulate, discuss and explicate core disciplinary concepts in astronomy and planetary sciences. |
| 2019-2020 | | **Concepts**: The origin, structure and history of the universe; how stars are formed and how they evolve; and quantitative reasoning. |
| | | **Competencies**: Understanding of the history and properties of light, instrumentation, and study of the solar system; mathematics; basic modeling; and knowledge of design elements of telescopes and astronomical measurements. |
| | | **Assessment Methods**: Acquisition of core concepts will be evaluated in assessments scored according to a faculty designed rubric in AST 112 Introduction to Stars, Galaxies and Cosmology and AST 114 Astronomy Laboratory II, drawing from core skills in AST 111 and AST 113. Progressive assessment based on a sequential, faculty designed rubric includes quantitative literacy in AST 321 Introduction to Planetary and Stellar Astrophysics, and the accuracy of modeling in AST 322 Introduction to Galactic and Extragalactic Astrophysics. |

300
**EXECUTIVE SUMMARY**

| astronomical sciences are in demand with organizations that need talent in “instrumentation, remote sensing, spectral observations and computer applications to unusual problems.” | Measures  
The curriculum will be refined based on measures indicating student ability to apply basic principles of cosmology to integrate observations regarding the structure and evolution of stars, star clusters and galaxies; ability to apply physical laws to explore the properties and evolution of stars and planets in assignments and a guided research project using introductory computer programming. |
| --- | --- |
| Astronomical and planetary science studies have enjoyed consistent popularity since the mid-twentieth century. More recently, news stories of space technology and exploration have sparked a renewed interest among people of all ages. This degree will also prepare students for a wide variety of other endeavors, including career paths in secondary education, planetarium and museum work, science writing, observation equipment and technology sales, and educational tourism. With only a handful of similar programs available, a degree in a frontier of science with the flexibility to serve a diverse body of students with widely varying goals will find a receptive employment market. | Learning Outcome 2: Graduates of the program will be able to use written and oral communication to engage in scientifically-grounded civil discourse and accurately communicate the scientific process and recent results of research in astronomy and planetary science to both lay and technical audiences.  
**Concepts:** Scientific communication, informed discourse, and audience analysis.  
**Competencies:** Effective use of language, oral and written, in explaining complex scientific information to multiple audiences.  
**Assessment Methods:** In AST 275 Scientific Communication, a faculty designed rubric will be used to assess oral and written communication skills in multiple contexts with both lay and technical audiences, and in AST 321 Introduction to Planetary and Stellar |
Astrophysics, a faculty designed rubric will be used to assess student ability to communicate clearly theoretical concepts and supporting observations of astronomical and planetary sciences.

**Measures**
The curriculum will be refined based on measures indicating student ability to create communication messaging appropriate to different audiences, and ability to promote civil discourse on science and the history of the universe.

**Learning Outcome 3:** Graduates of the program will be able to manage, evaluate and interpret datasets to solve quantitative problems and test hypotheses within an astronomical context utilizing modern computing methods.

**Concepts:** Advanced modeling, experimental design and the application of software in the context of astronomical and planetary sciences.

**Competencies:** Use of the scientific method to design experiments that generate data informing conceptual approaches and potential obstacles to development solutions for assigned projects; developing software in an interpreted language (e.g. Python) to solve assigned problems related to astronomy and planetary
**Assessment Methods:** In SES 350 Engineering Systems and Experimental Problem Solving, achievements in engineering systems, computational tools, advanced modeling and deductive reasoning will be assessed using a common rubric developed by faculty in the discipline.

**Measures**
The curriculum will be refined based on measures indicating student ability to apply computer and mathematical modeling to work in relativity, cosmology and the structure and dynamics of galaxies and the interstellar medium; and ability to design experiments using the scientific method with results based on collaborative effort.

**Learning Outcome 4:** Graduates of the program will demonstrate the ability to work collaboratively in interdisciplinary groups to solve scientific problems.

**Concepts:** Research design, scientific knowledge, collaboration and small group communication.

**Competencies:** Writing a research proposal, asking questions from a scientific perspective, and problem solving in astronomical and
### EXECUTIVE SUMMARY

#### Planetary Sciences

- **Assessment Methods**: In SES 350 Engineering Systems and Experimental Problem Solving, a faculty rubric that measures integration of core and advanced theory and methods in the astronomical and planetary sciences will be used to assess student work, and capstone projects will be evaluated against a faculty developed rubric of professional standards in astronomical and planetary sciences, group communication, information literacy and problem solving.

- **Measures**
  - The curriculum will be refined based on measures indicating student ability to develop a research question or proposal for a design project using skills and knowledge gained in progressive course work; and student team ability to employ collaborative and communication skills to critically assess project needs, assign tasks to individual members and create a successful design solution.

<p>| Bachelor of Science in Data Science | No new program fee | Modern science and technology use sophisticated mathematical and | <strong>Learning Outcome 1</strong>: Graduates of the program will be able to think critically while analyzing data sets to make | 200 |</p>
<table>
<thead>
<tr>
<th>College of Liberal Arts and Sciences</th>
<th>computational tools to extract patterns from large, complex and often unordered data sets. Machine learning and data mining are invaluable technologies with applications as diverse as detecting fraudulent online credit-card transactions, understanding the dynamics of social movements and personalizing medical treatments based on an individual’s unique genetic profile. In accordance with ASU's charter to advance research and discovery of public value, this proposed degree program is a collaborative effort by programs across the College of Liberal Arts and Sciences’ Divisions of Natural Sciences and Social and Behavioral Sciences and Ira Fulton Schools of Engineering to offer an interdisciplinary Bachelor of Science degree in Data Science. The mathematical core will consist of linear algebra, statistical inference and classification, data mining, machine learning and associated computer methods. Additionally, the degree will have a significant related area of emphasis requiring students to action-oriented ethical recommendations for societal change.</th>
</tr>
</thead>
<tbody>
<tr>
<td>School of Mathematical and Statistical Sciences (Tempe) 2019-2020</td>
<td>Concepts: Structured and unstructured components of data sets, ethics and social knowledge based on large data sets. Competencies: Interpretation of data, critical analysis of data set components, data problem solving and effective communication about ethical recommendations for action based on data analysis. Assessment Methods: In DAT 200 Data Science and Society, students will be assessed against a faculty developed rubric that covers quantitative reasoning, problem solving and effective communication on the presentation of data. In the Data Science capstone course, students will be assessed against a faculty developed rubric on ethical problem solving, effective communication, critical thinking, and evaluation of evidence. Measures The curriculum will be refined based on measures indicating student ability to think critically and make societal recommendations about real-life data sets; ability to identify a real-world problem; evaluate numerous data sets using learned data programming</td>
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<td></td>
<td>complete coursework in an application area that utilizes data science and to apply learned techniques to real-world data. Combining skills in data mining and management with training in ethics and an ability to articulate complex information will produce graduates capable of participating productively in public discourse on pressing concerns facing today’s world. The School of Mathematical and Statistical Sciences is uniquely positioned to lead the development of this innovative collaboration. Market Need: Glassdoor.com ranks data scientist at the top of its 50 Best Jobs in America. It reports that the average annual salary for data scientists in the Phoenix area is $103,540 and that the national average is $128,549. The average starting salary is $83,500. The McKinsey Global Institute projects that the demand for deep analytical talent in the United States could be 50 to 60 percent greater than its projected supply by 2018. Glassdoor:</td>
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<td>languages about credibility; and ability to interpret the findings to make ethical recommendations for future action.</td>
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<tr>
<td><strong>Learning Outcome 2</strong>: Graduates of the program will be able to critically engage with real-world data problems relative to their chosen emphasis area of either natural or social sciences through data programming.</td>
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<tr>
<td></td>
<td><strong>Concepts</strong>: Programming principles, computer science and its use in data-driven problem solving, predictive analytics and mathematical reasoning.</td>
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<tr>
<td></td>
<td><strong>Competencies</strong>: Mathematical reasoning, data science research methods, data programming and using data to predict outcomes.</td>
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<td><strong>Assessment Methods</strong>: In DAT 200 Data Science and Society, presentations will be assessed against a faculty designed rubric incorporating mathematical reasoning, critical thinking and problem solving. In DAT 402 Machine Learning, projects will be assessed with a faculty rubric that covers validity of the created model program, effective communication and mathematical reasoning.</td>
</tr>
<tr>
<td></td>
<td><strong>Measures</strong> The curriculum will be refined based on measures</td>
</tr>
</tbody>
</table>
indicating student ability to create a computer program that can discover and identify patterns in a data set related to the student’s chosen emphasis area, ability to make predictions and recommendations for a real-world problem, and ability to show how data science methods can influence the outcomes in both positive and negative fashions.

Learning Outcome 3: Graduates of the program will be able to develop team oriented skills while utilizing diverse programming languages and statistical processes to interpret results of their own data collection.

**Concepts:** Diversity in programming languages, interpretation of data and small group communication.

**Competencies:** Effective collaboration, utilization of real-world data sets to solve complex problems, the use of statistical models and proper testing methodologies to provide insight into real-world problems.

**Assessment Methods:** In DAT 301 Exploring Data in R and Python, students will complete a series of four embedded assignments that will be assessed against a faculty developed rubric that focuses on problem solving, effective communication and statistical reasoning. In DAT
401 Statistical Modeling and Inference for Data Science, final student projects will be assessed by a faculty developed rubric that focuses on mathematical reasoning, collaboration and data problem solving.

**Measures**
The curriculum will be refined based on measures indicating student ability to utilize real-world data sets in a team setting to interpret, evaluate and present recommended solutions to real-world problems; ability to work in groups and apply principles of critical thinking, statistical models, and methodologies for testing results.

**Learning Outcome 4:** Graduates of the program will be able to critique data interpretations provided by real-world sources and make critical inferences regarding the validity of provided data.

**Concepts:** Data validity, inferences, ethical dilemmas and deduction.

**Competencies:** Criticism and evaluation of multiple data sets, assessment of reliability and validity, deductive reasoning, and sound recommendations based on data.

**Assessment Methods:** In DAT 200 Data Science and Society, students will complete an
| Measures | The curriculum will be refined based on measures indicating student ability to critique external data sources, ability to apply interpretations and recommendations of real-world data sets, and ability to make determinations on data validity and any ethical dilemmas present in data sets. |

| Measures |  |
### Request to Establish a New Academic Program Requiring a Program Fee

<table>
<thead>
<tr>
<th>Program Name / Degree:</th>
<th>Film and Media Production, Bachelor of Fine Arts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested by</td>
<td>Mark S. Searle</td>
</tr>
<tr>
<td>Initial Student Enrollment (Sem/Yr)</td>
<td>Fall 2019</td>
</tr>
<tr>
<td>Level</td>
<td>Undergraduate</td>
</tr>
<tr>
<td>CIP Code</td>
<td>50.0602</td>
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</tbody>
</table>

**Program Description**

The Bachelor of Fine Arts in Film and Media Production is a hands-on creative production and pre-professional degree program including courses about the function of film, media and television in the world; ethical filmmaking practices; interdisciplinary collaboration; and the responsibility of the media artist in society. This program in film production will promote inclusivity and accessibility through the emphasis of the connection between film and media artists, the communities they represent and the audiences they serve.

**Justification for Program (State/regional need; relationship to institutional and system strategic plans)**

The need for innovative, skilled and efficient digital storytellers has never been greater. From viral videos to web series; from commercials to corporate presentations; from on-demand binge-worthy series and bold independent films to global blockbusters; filmmaking and the media need dynamic, original, and impactful content now more than ever. Graduates of this program will have the visual storytelling skills required to convey information in our increasingly media driven society. The proposal is aligned with ASU’s design aspirations to leverage our place, transform society, value entrepreneurship, include use-inspired research, enable student success, fuse intellectual disciplines, be socially embedded, and engage students with issues locally, nationally and internationally.

**Projected Student Demand**

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tr>
<td></td>
<td>100</td>
<td>175</td>
<td>275</td>
<td>300</td>
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</tbody>
</table>

**Description of and Rationale for Program Fee**

A program fee for the BA in Film was approved in April 2013. An ABOR request will be made in 2018 to apply the $300 fee to this reconfigured BFA program, as it will replace the BA program.
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EXECUTIVE SUMMARY

Item Name: Report on the Research, Innovation and Impact Committee Meeting

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☒ Information or Discussion Item

Issue: The board office asks the board to review the report of the January 25, 2018 Research, Innovation and Impact Committee.

Enterprise or University Strategic Plan
☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☐ Real property purchase/sale/lease
☒ Other: Committee Report

Agenda Highlights
Research, Innovation and Impact Committee
January 25, 2018

1. Approval of Minutes

Outcomes and Assignments:
• Minutes to be approved at next committee meeting.

2. University of Arizona-Banner Health Governance: Academic Management Council (AMC)

Outcomes and Assignments:
• Review AAA provisions for possible 5th amendment to modify or eliminate unhelpful provisions.
• Develop timelines for strategic plan, identification of outcome

Contact Information:
Chad Sampson, ABOR 602-229-2512 chad.sampson@azregents.edu
Lorenzo Martinez, ABOR 602-229-2525 lorenzo.martinez@azregents.edu
metrics, and progress reporting.

- Update academic program reviews to incorporate clinical components as appropriate.

3. Arizona’s Public Universities Economic Impact Discussion

Outcomes and Assignments:

- Develop scope of work for base industry economic impact analysis.
- Methodology of analysis should factor in:
  - fundamental changes to local and regional economies as a result of university activities;
  - returns to the state from its investment (employment wages, taxes paid, etc.).

Requested Action

This item is provided for information only. No action is required by the board.
EXECUTIVE SUMMARY

Item Name: Ratification of Authorization to Allow the Board’s Excess Insurance Carriers to Sue in the Board’s Name to Facilitate Their Recovery Against an Independent Contractor That Caused Damage to a Mirror at the Steward Observatory Mirror Lab (UA)

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

Issue: Pursuant to ABOR Policy 1-109, the University of Arizona asks the board to ratify prior authorization for the board to lend its name as a nominal plaintiff in order to facilitate recovery by its excess insurance carriers against an independent contractor that caused damage to a mirror being fabricated at the Steward Observatory Mirror Lab.

Enterprise or University Strategic Plan
- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other:

Statutory/Policy Requirements

- ABOR Policy 1-109 requires Board approval of all litigation brought in the Board’s name.

Background/History of Previous Board Action

- On March 11, 2015, Lithe Technology, LLC, an independent contractor at UA’s Steward Observatory Mirror Lab, caused approximately 1.4 million dollars in damage to a 6.5 meter telescope mirror the Lab was fabricating for the University of Tokyo under a 15 million dollar contract. The accident occurred when a Lithe employee entered a computer command for a piece of mechanical equipment that hovered over the mirror. The faulty entry started a chain reaction that caused a steel beam to pierce the mirror near its edge.

Contact Information:
Laura Todd Johnson, Senior Vice President for Legal Affairs and General Counsel (UA), (520) 621-5150, LTJ@email.arizona.edu.
Because State self-insurance had already reached its payout limit for UA-covered losses, the loss was covered entirely by excess carriers, who then commenced litigation against Lithe to recover what they paid.

Because it took a significant period of time to engineer a repair plan for the mirror and then determine its cost, Lithe was seeking dismissal of the excess carriers' lawsuit against it on the basis of untimeliness. Counsel for the excess carriers contacted UA counsel with a request for the Board to lend its name to the lawsuit as a nominal plaintiff to cure the untimeliness problem.

Pursuant to ABOR Policy 1-109, UA received tentative approval to allow the excess carriers to sue Lithe in the board’s name in order to facilitate recovery by the excess carriers from Lithe.

While the board will not recover any additional funds (the University was already made whole by the excess carriers), it is in the board’s best interests to allow the excess carriers to sue in its name in order to facilitate their recovery from Lithe. Cooperating in this manner will allow the board and universities to maintain good relations with their excess carriers, who quickly and efficiently covered UA’s loss.

Board ratification is requested to allow the excess carriers to continue their lawsuit against Lithe in its name.

Requested Action

The University of Arizona asks the board to ratify the decision to allow the excess carriers to sue in its name in order to facilitate their recovery from Lithe.
EXECUTIVE SUMMARY

Item Name: Request for Non-Access Resolution for the Department of Defense National Industrial Security Program

☐ Action Item
☐ Committee Recommendation to Full Board
☐ First Read of Proposed Policy Change
☐ Information or Discussion Item

Issue: The University of Arizona asks the board to adopt an updated Non-Access Resolution related to its Department of Defense National Industrial Security Program.

Enterprise or University Strategic Plan

☐ Empower Student Success and Learning
☐ Advance Educational Attainment within Arizona
☐ Create New Knowledge
☐ Impact Arizona
☐ Compliance
☒ Real property purchase/sale/lease
☐ Other:

Statutory/Policy Requirements

Sections 2-104 and 2-106 of the National Industrial Security Program Operating Manual ("NISPOM"), the Department of Defense ("DoD") manual of procedures and guidelines for safeguarding classified information, require a resolution of the Board address access to classified information disclosed to the University in order for the University to continue its work with the DoD National Industrial Security Program.

Section 2-104 provides the following:

2-104. Personal Clearance Level ("PCL") Required in Connection with the Facility Clearance Level ("FCL"). The senior management official, the Facility Security Officer ("FSO"), and the Insider Threat Program Senior Official ("ITPSO") must always be cleared to the level of the FCL. Other officials, as determined by the Cognizant Security Agency ("CSA"), must be granted PCL’s or be excluded from classified access.

Section 2-106 sets forth the exclusion procedures that require the requested resolution.

Contact Information:
Kimberly Espy, Senior Vice President for Research
Telephone: (520) 621-3513, Email: kespy@email.arizona.edu
Background/History of Previous Board Action

- At the Board’s November 17-18, 2016 meeting, a Non-Access Resolution for the Department of Defense National Industrial Security Program was approved. Appointment of new Regents and administrative changes at the University of Arizona (“UA”) necessitate a new Non-Access Resolution.

Discussion

- This resolution summarizes the changes of office titles, holders, and board membership that reflect the current list of Key Management Personnel (“KMP”) provided to the Defense Security Services (“DSS”) as required in the UA’s Facility Security Agreement with the DoD.

The board hereby affirms that all members of the UA KMP will require a PCL. UA KMP are as follows:

  o President of the University: Dr. Robert C. Robbins
  o Designated Regent: Ron Shoopman
  o Senior Vice President for Research: Dr. Kimberly Andrews Espy
  o Associate Vice President for Research: Caroline Garcia
  o Facility Security Officer and ITPSO: Keith Corson

All KMP shall be excluded from access to classified information until such time as he or she obtains his or her personal security clearance.

Furthermore, the board affirms that the UA Senior Leadership Team and members of the Arizona Board of Regents, as may change from time to time, shall not require, shall not have, and can be effectively excluded from, access to classified information in the possession of the UA and that they do not occupy positions that would enable them to affect adversely the policies and practices of the UA in the performance of classified contracts for the DoD or User Agencies of its Industrial Security Program awarded to the UA, and that they need not be processed for a personal security clearance.

Requested Action

The University of Arizona asks the board to approve the Non-Access Resolution, as described in this executive summary.