

ARIZONA BOARD OF REGENTS

Minutes of a Special Board Meeting

Thursday, August 22, 2019

A special board meeting of the Arizona Board of Regents was held on Thursday, August 22, 2019 at 9:00 a.m. at Arizona State University, Fulton Center, Lincoln Conference Room in Tempe, Arizona.

Members Present: Regent Penley, Regent Manson, Regent Shoopman (via phone), Regent DuVal, Regent Krishna, Regent Ridenour, Regent Taylor Robson, Regent L'Ecuyer (via videoconference), Regent Rusk and Superintendent Hoffman.

Members Absent: Regent Heiler and Governor Ducey

Also present were: from Arizona State University President Michael Crow, Provost Mark Searle, Senior Associate Christine Wilkinson and Morgan Olsen; from Northern Arizona University President Rita Cheng and Senior Associate Christy Farley; from the University of Arizona President Robert Robbins, Provost Liesl Folks (via videoconference), Senior Associate Jon Dudas, Dave Heeke, David Wagner and Betsy Cantwell (via videoconference); and from the board office Executive Director John Arnold, General Counsel Jennifer Pollock, Nancy Tribbensee, Lorenzo Martinez, Suzanne Templin and Kate Linder.

CALL TO ORDER

The meeting was called to order at 9:04 a.m. in the Executive Conference Room. Regent Penley requested a motion to go into executive session. Upon motion by Regent DuVal; second by Regent Krishna, the board voted to go into executive session with Regents Penley, Manson, Shoopman, DuVal, Krishna, Taylor Robson and L'Ecuyer voting in favor. None opposed and none abstained. Regent Ridenour and Superintendent Hoffman were not in attendance for this vote.

EXECUTIVE SESSION

The board convened in executive session at 9:04 a.m. and discussed the items listed on the August 22, 2019 executive session agenda. Executive session recessed at 9:15 a.m.

RESUME PUBLIC MEETING, GREETINGS AND ANNOUNCEMENTS FROM THE BOARD CHAIR

The board reconvened in public session in the Lincoln Conference Room at 9:20 a.m. Regent Penley welcomed Regent Rusk to his first meeting as a member of the board. Regent Heiler was unable to attend the meeting.

ADOPTION OF CONSENT AGENDA

All items listed 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 Penley; second by Manson. Regents Penley, Manson, Shoopman, DuVal, Krishna, Taylor Robson and L'Ecuyer voted in favor. None opposed and none abstained. These items were considered by a single motion with no discussion. Regent Ridenour and Superintendent Hoffman were not in attendance for this vote.

***2019 TRIF Report (Item 8)**

The board approved the FY 2019 Technology and Research Initiative Fund (TRIF) Annual Report for submission to the Governor and the Legislature.

***Annual Personnel Report (Item 9)**

The board approved the Annual Personnel Report for the Arizona University System.

***Annual Cost Containment Report (Item 10)**

The board approved the Annual Cost Containment Report for Arizona State University, Northern Arizona University and University of Arizona.

***Adaptive Athletics Funding Allocation**

The board approved the FY 2020 Adaptive Athletics Special Line Item funding allocation.

***Request to Accept ABOR Annual Report**

The board accepted the ABOR Annual Report

FY 2021 State Budget Requests (Item 1)

Agenda Item #1 was withdrawn from the August 22, 2019 agenda. Regent Penley stated the board would consider this item on September 5, 2019 during a special board meeting.

Regent Ridenour joined the meeting at 9:28 a.m.

University of Arizona Tuition and Mandatory Fee Proposals for Online Campus and Distance Campus Programs (Item 2)

The University of Arizona asked the board to approve changes to existing tuition rates for programs previously approved by the board, and the establishment of a tuition rate for one new program.

A tuition hearing for the proposed changes was held on July 24, 2019. No comments were made at the hearing. In response to Regent L'Ecuyer's question, President Robbins confirmed that students were made aware that they will pay the new rate for the fall semester.

UA made a commitment to ensure the programs are included in the regular tuition hearings moving forward to avoid future need of a separate hearing. President Robbins expressed his appreciation to the board for allowing the special dispensation and ultimately serving the students. Regent Penley further commented that without the hearing, at least one of the programs could not have been offered until next year. The hearing allowed for UA to offer the program for fall 2019.

In response to a question by Regent Ridenour, Executive Director Arnold stated that the board office will work with UA to streamline their online tuition structure to ensure any changes in programs are captured in the base tuition the board approves. Executive Director Arnold commented that it was the first time the board has approved online tuition as a separate matter than base tuition due to a change in statute.

Upon motion by Regent Penley; second by Regent Manson, the board approved for the University of Arizona to:

- Increase base tuition rate for the Online Masters of Business Administration from \$1,100 per unit to \$1,145 per unit. This rate will only be charged to newly enrolled students. Continuing students will remain at the current rate.
- Increase base tuition for Distance Campus Masters of Science in Engineering Management and the Distance Campus Masters of Science in Systems Engineering from \$812 per unit to \$1,000 per unit, and eliminate the current \$188 program fee. This change results in no net increase to students enrolled in the program.
- Establish base tuition rate for the Online Masters of Entrepreneurship of \$1,000 per unit. The UA completed the necessary curriculum planning and course design for this degree, which is prepared for launch in fall 2019.

Regents Penley, Manson, Shoopman, DuVal, Krishna, Ridenour, Taylor Robson and L'Ecuyer voted in favor. None opposed and none abstained. Superintendent Hoffman was not in attendance for this vote.

Appointments of Senior Vice President for Business Affairs and Chief Financial Officer and Senior Vice President for Academic Affairs and Provost at the University of Arizona (Item 3)

The University of Arizona asked the board to approve the appointments of Lisa Rulney as the Senior Vice President for Business Affairs and Chief Financial Officer and Dr. Liesl Folks as the Senior Vice President for Academic Affairs and Provost at the University of Arizona.

Regent Penley congratulated President Robbins on his executive team and expressed appreciation for work performed by Ms. Rulney. Regent Penley welcomed Provost Folks

on behalf of the board. President Robbins also introduced Betsy Cantwell as UA's new Senior Vice President for Research and Innovation.

Upon motion by Regent Penley; second by Regent Manson, the board approved the appointments of Lisa Rulney as the Senior Vice President for Business Affairs and Chief Financial Officer and Dr. Liesl Folks as the Senior Vice President for Academic Affairs and Provost at the University of Arizona, as presented in the executive summary. Regents Penley, Manson, Shoopman, DuVal, Krishna, Ridenour, Taylor Robson and L'Ecuyer voted in favor. None opposed and none abstained. Superintendent Hoffman was not in attendance for this vote.

Multiple-year Employment Contract for Head Coach of the Women's Basketball Team (UA) (Item 4)

The University of Arizona asked the board to approve the terms and authorize the UA to enter into the First Amended Multiple-year Employment Contract for Adia Barnes as the head coach of the Women's Basketball Team.

Dave Heeke and David Wagner joined the meeting. Mr. Heeke presented that UA reviewed the academic components of the contract and bonuses specifically surrounding the cumulative GPA of the women's basketball team. Revisions were made to the original thresholds and a small adjustment made to the base salary. The revision centered around raising the thresholds of the minimum GPAs that qualifies for accomplishment and additional compensation surrounding academic success of student athletes in the women's basketball program. A slight adjustment in the base salary reflected the change in culture, growth of the program and the successful academic atmosphere. The GPA as it currently exists are elements included in the base salary moving forward.

Regent Manson commented on the success of the women's basketball program and appreciated the UA's efforts to review the process. Regent Taylor Robson congratulated UA for the culture in the academic environment and acknowledged Regent Manson for bringing attention to the issue noting that bonuses are for doing something above and beyond what is expected within normal duties and base salary.

Regent Penley noted that within the last year, considerable changes have been made to the universities' contracts and anticipated further changes to future contracts. Regent Heiler and Regent Manson will review the guidelines for coaching contracts for necessary updates. Recommended updates to the guidelines will be brought back to the board.

Upon motion by Regent Penley; second by Regent Manson, the board approved the terms and authorized the University of Arizona to enter into the First Amended Multiple-year Employment Contract for Head Coach of the Women's Basketball Team Adia Barnes on the terms set forth in the amended executive summary, subject to the following modifications:

- Adjusting Coach Barnes' annual salary to \$407,500 from \$400,000;
- Adding an additional academic bonus in the amount of \$45,000 in exchange for a cumulative team GPA of 3.69 or above, which bonus would be added to Section I of

- the Academic Performance Incentives provision addressing cumulative GPA; and
- Striking the paragraph on page 3 of the executive summary that immediately follows the Cumulative GPA bonuses and that immediately precedes the Section II Retention Bonuses.

Regents Penley, Manson, Shoopman, DuVal, Krishna, Ridenour, Taylor Robson and L'Ecuyer voted in favor. None opposed and none abstained. Superintendent Hoffman was not in attendance for this vote.

Lease Amendment for Mineral Museum at Old County Courthouse (UA) (Item 5)

The University of Arizona asked the board to approve an Amendment to the Lease Agreement between Pima County as Lessor and UA as Lessee for the UA's Mineral Museum, and further authorize the UA Senior Vice President for Business Affairs and CFO or her designee to execute the Amendment and any related documents to effectuate the Amendment.

Lisa Rulney presented that UA has worked with Pima County for several years to bring the Mineral Museum into the Old County Courthouse in downtown Tucson. The Museum is expected to be located with the visitor center to more opportunity for the whole community to enjoy the collection. Several years ago, the lease was brought to the board at an original project estimate cost of approximately \$10 million. Over the past several years of planning, an escalation in construction costs as well as fabrication of the type of collection cases needed was far more expensive than anticipated. The UA is asking the board's approval to increase the project cost and amend the lease to approximately \$13 million. Pima County offered UA a loan of \$7.5 million towards construction costs allowing UA to repay the loan over five years.

Regent Taylor Robson expressed concern over the increases in cost while understanding the construction costs are beyond the university's control. However, the scope and design costs are within the university's control and encouraged the universities to be cognizant of design and scope increases, which will ultimately be paid from donor proceeds and potentially disposition of some of the collection pieces.

Regent DuVal stated his appreciation of relocating the museum to the iconic old Pima County Courthouse designed by Roy Place, Tucson's well-noted historic architect. The move is another step in UA embracing downtown Tucson and the community.

Regent Penley commented that the museum represents a part of Arizona's history long before it became a state. Regent Shoopman stated that the museum serves as an example of the great work President Robbins has done to engage the community more meaningfully through community outreach and engaging in ways that makes UA more visible and more of a partner for the region.

President Robbins stated the museum fits into the framework of UA's strategic plan to engage the community by bringing both the arts and science together in a public manner.

Upon motion by Regent Penley; second by Regent Manson, the board approved the amendment to the Lease Agreement between Pima County as Lessor and the University of Arizona as Lessee for the UA's Mineral Museum, as presented in the executive summary, and authorize the UA Senior Vice President for Business Affairs and CFO or her designee to execute the amendment and any related documents to effectuate the amendment.

Regents Penley, Manson, Shoopman, DuVal, Krishna, Ridenour, Taylor Robson and L'Ecuyer voted in favor. None opposed and none abstained. Superintendent Hoffman was not in attendance for this vote.

Request to Approve the Report of the Free Expression Committee (Item 6)

The board was asked to approve the statutorily required report of the Free Expression Committee for submission to the state as required by A.R.S. §15-1867.

Nancy Tribbensee presented background information concerning the report. In 2018, the legislature adopted a statute that required the board to adopt a free expression policy and constitute a free expression committee. The board approved the first report from the committee last year to be submitted to the state. The report provides information on the board's and universities' efforts to promote protected speech, address any allegations of barriers to free speech and promote institutional neutrality and diversity of thought. Activities of the board and universities are highlighted in the report in addition to the Regents Cup scheduled to take place on November 16, 2019 at UA. The report was developed by the Free Expression Committee, chaired by Executive Director Arnold.

Dr. Tribbensee further requested board permission to make non-substantive editorial changes to the report as it is being formalized before submission to the legislature.

President Crow commented that Arizona's public universities are among the most sophisticated institutions in the country and discovered pathways to maintain free expression. There is opportunity to express why Arizona's universities have such diverse views on its campuses and people are still able to be civil. The general public may form opinions about Arizona's universities based on intolerant incidences taking place on university campuses outside of Arizona.

Regent Taylor Robson stated that Arizona may be the only state in the country in which all of its public institutions of higher education have green ratings from the Foundation for Independent Rights and Education. This is a great accomplishment which could be highlighted more often. President Crow further added that it is not the absence of protests, but the presence of them that allows the institution to advance. President Crow mentioned that the group that most mentions the suppression of speech are members of the legislature individually.

Regent Penley thanked Regent Taylor Robson for her leadership in the Regents Cup, which will provide a forum to tell the story about free expression and Arizona values to individuals who may not be aware. Regent Taylor Robson reminded the board of its previous approval of the general education policy. Embedded in the policy is the board's

desire that the universities are educating citizens who, upon graduation, have skills necessary to be productive members of the community.

Upon motion by Regent Penley; second by Regent Manson, the board approved the report of the Free Expression Committee, as presented in the executive summary. Regents Penley, Manson, Shoopman, DuVal, Krishna, Ridenour, Taylor Robson and L'Ecuyer voted in favor. None opposed and none abstained. Superintendent Hoffman was not in attendance for this vote.

Proposed Revision to ABOR Policy 4-202 “Non-Resident Tuition Rate for Arizona High School Graduates” (First Reading and Immediate Implementation) (Item 7)

The board office asked the board to review on first reading and approve for immediate implementation a proposed revision to ABOR Policy 4-202 “Non-Resident Tuition Rate for Arizona High School Graduates.”

Executive Director Arnold presented that the board has always maintained interest in providing access to the universities for all Arizona students. In 2015, the board instituted a policy that established a non-resident rate for Arizona high school graduates who are otherwise ineligible for an in-state rate. The original policy included language that was intended to recognize DACA students and clarified their eligibility for the non-resident rate. The policy revision clarifies that all students who graduate from an Arizona high school, within the parameters of the policy, are eligible for the non-subsidized, non-resident rate.

Regent Krishna inquired whether the policy change was temporary. Executive Director Arnold confirmed that the policy change is permanent taking into account any changes in state or federal law that may warrant additional revisions.

Superintendent Hoffman joined the meeting at 10:07 a.m.

Upon motion by Regent Penley; second by Regent Manson, the board reviewed on first reading and approved for immediate implementation the proposed revision to ABOR Policy 4-202 concerning the Non-Resident Tuition Rate for Arizona High School Graduates, as presented in the amended executive summary. Regents Penley, Manson, Shoopman, DuVal, Krishna, Ridenour, Taylor Robson and L'Ecuyer voted in favor. None opposed. Superintendent Hoffman abstained from voting.

Regent Penley commented that as a state, a 60% achievement rate has been adopted for post-secondary education. The board and the Governor endorse the 60% rate as a way to prepare the state for the future. The next decade indicates the demographic trough to accrue with the size of Generation Z. With the reduction in the numbers of babies in the country during the great recession and subsequent over the decades, a much lower number of eligible youth attending the universities is anticipated. There will be also an unknown number of people within Generation X retiring at the same time. The problem to confront is that there is a responsibility in the state to educate as many individuals as possible in order to have a labor force that can address the demographic trough and potential loss in labor that will subsequently occur among both Generation Z and Generation X. In preparation for a transformed economy with considerable disruptions to

the labor force and jobs it is essential to increase the number of people who complete Arizona high school and go on to post-secondary attainment and successful in doing so. The motion is about the future of Arizona and readying the state for the future.

RECESS AND ADJOURNMENT

The board recessed its meeting at 10:11 a.m. and reconvened in executive session in Fulton 4440 at 10:22 a.m. The meeting adjourned at 5:30 p.m.

Submitted by:

Katherine Linder
Secretary to the Board