Arizona is home to three innovative, world-class public universities that offer unparalleled opportunities for learning, discovery and service. Last year Arizona State University, Northern Arizona University and the University of Arizona generated $11.1 billion in total economic impact for the state and 102,000 jobs. The Arizona Board of Regents provides strategic direction for the university system and is committed to making sure Arizonans have access to a quality public university education – building a brighter future for students, families and the State of Arizona.
The Enterprise Approach:
Governing with Purpose

Today’s public higher education marketplace is rapidly changing. Students have more options and technology is broadening access to education. Arizona’s public universities are rising to the challenge by adapting to the changing needs of our students, becoming more entrepreneurial and efficient in delivering a quality education at a competitive cost.

Foundational to steering the public universities toward a sustainable and competitive future is the very manner in which these iconic institutions are managed. Over the past three years, the Arizona Board of Regents has forged and strengthened a new approach to leading these universities, by governing the universities as an enterprise.

More streamlined than traditional state higher education hierarchies, the board’s enterprise approach is distinct in its focus on strategic decision-making, long-term competitiveness, transparency and quality assurance. Leadership is clearly defined, with the board and its president as the executive leadership team, under which the university presidents operate as the chief executive officers of their universities.

Under this model, student success is the leading priority for the board and presidents, accountable to Arizona and its resident-students, who are not only customers but shareholders in a public-private partnership. Universities, too, are encouraged to be more entrepreneurial, develop diverse revenue streams and operate highly differentiated service platforms – all in support of the strategic goals set for the enterprise.

Recognizing the critical role universities play in developing a workforce for Arizona, the board has repositioned itself as the statewide authority and thought leader in the area of public higher education. The enterprise framework has been foundational to this work, as well as to the board’s achievements over the last three years that have led to new knowledge creation and enhanced state stewardship with a global impact, including record-breaking results in terms of undergraduate diplomas issued and research grants, as well as improvements in key metrics such as student retention and graduation rates.
Inspired by the 2020 vision already in place, the Arizona Board of Regents extended its view and delivered a strategic, actionable plan to drive key outcomes for Arizona by 2025. The plan produced an updated series of performance metrics to increase performance in key measures in the four goals of the enterprise: student success, educational attainment, new knowledge creation and impact to Arizona. In response to Governor Ducey’s call for the board to refashion a sustainable finance plan that counts on the state as just one of many investors, the board developed a new resident-student funding model and established business plans to fulfill the defined and specific missions of all three universities – each with its own special capabilities, opportunities and challenges. Taken together, the business plans further the statewide goals of the higher education enterprise.

The public higher education marketplace is more competitive than ever and changes to these institutions are market-led, prompting Arizona’s public universities to become more adaptive and entrepreneurial as public business models dedicated to the success of students. While the state constitution requires that the instruction furnished by our universities shall be “as nearly free as possible,” political and market forces today require the board and universities to be more nimble and efficient with a sustainable operating model that ensures our universities are available for future generations of students.

Increasing the university’s research performance to competitive prominence within the ranks of the top American research universities is a significant part of the regents’ goal to contribute to the vitality of Arizona’s future. University research propels economic vitality and develops talent for the workforce as well. Over the past three years, the key measures the board uses to track progress in research have demonstrated growth, such as increases in research funding and the development of intellectual property.

The board oversaw the development of key partnerships and acquisitions to enhance education, research and clinical opportunities, and strengthen the financial position of the universities.

- Set aggressive 2025 goals and metrics to increase system and institutional performance
- Delivered expanded, actionable strategic plan for the enterprise
- Established financial, academic, research and community plans for each university that further differentiate their missions, drive performance and tie to statewide enterprise goals
- Launched a regulatory reform agenda to reduce bureaucracy and allow greater cost effectiveness in personnel and benefits design
- Revamped board business processes to enhance strategic decision-making and fiduciary role
- Advanced significant partnerships, affiliations, mergers, and real estate transactions
- Established duties and expectations for board members and presidents
- Streamlined board policies
As stewards of higher education in this state, the board is accountable to Arizona citizens and takes seriously its public trust. Transparency in our activities and results, therefore, is a core principle that is central both to the enterprise model and the board’s reputation as a trusted resource in the performance of the state’s public higher education system. From coursework to the student experience, our universities must continue to ensure that quality and value are consistently demonstrated to Arizona students, families and policymakers. Through enhanced data collection and reporting, the board strengthened its role as a provider of transparent and accurate information regarding college costs, expected debt, average completion rates, graduate salaries and higher education’s impact on the state economy. The board’s new 2025 plan will act as a roadmap to achieve even greater gains in the coming years with strong performance at the forefront.

**Accountable**

- Introduced comprehensive annual operational and financial reviews of each institution
- Revamped tuition setting process to promote transparency in rate setting
- Enhanced data analysis to strengthen board decision-making
- Revamped audit structure to increase objective review of university operations
- Overhauled website to be more aesthetic, intuitive, responsive and accessible to the public
- With the Arizona Department of Education, improved reporting on eligibility, outcomes and performance of Arizona’s K-12 system
- Established quality markers to ensure system’s strategic growth and accountability
- Updated presidential contracts and incentives aligned with new strategic plan
- Established tribal consultation policy
Engaged

The board has deepened its connection to the community, generating a bipartisan coalition of supporters and champions of higher education, as the recent FY 2017 state budget made clear with a reinvestment in the public university system, countering years of debilitating cuts. Arizona’s public universities have grown in their “tri-partisanship,” working together to support the goals of the enterprise and to serve the needs of the state. With the board’s leadership, externally focused engagement has increased and public awareness has improved regarding the important work of the board and public higher education. The board has also leveraged statewide support for collaborative projects, such as a grassroots initiative that was spearheaded this year to set a statewide goal for increasing educational attainment.

In recognition of the importance of faculty and staff to the success of our students and institutions, the board also increased its engagement internally with faculty and staff. Faculty also are represented at board proceedings with a seat at the table and dedicated time on each board agenda.

- **Enhanced partnerships with community organizations working to improve education**
- **Strengthened legislative support for public universities**
- **Increased earned media and grew social media platforms**
- **Enhanced board’s brand platform to reflect clear identity and mission**
- **Provided thought leadership to business agendas and education issues**
- **Hosted industry roundtables in health care, mining and technology transfer**
- **Developed and launched president’s blog to give community insight into higher education**
- **With the Arizona Commerce Authority, implemented SciVal Experts – a super-charged tri-university research engine**
- **Established joint position with the Arizona Commerce Authority connecting universities and statewide businesses**
Student-centered

Student success is at the heart of the public university enterprise and is now the cornerstone of the board’s strategic plan. Student enrollment is at a record high, and student diversity has set records as well. With students as both customers and shareholders of the universities, the board has directly taken on a primary concern of students – affordability – by increasing the predictability and stability of tuition setting and even more importantly, slowing the rate of tuition increases. Through effective use of financial aid, tuition rates have remained competitive with peers while student debt is lower than in many other states. Arizona is considered a low-debt state among the 50 states, ranking 45th for the average debt of a student with loans and 36th for the percent of students with loans.

The board has also prioritized students in its requests for state appropriations. The new funding model more aptly represents the public-private nature of higher education by asking that state monies be dedicated to help defray the costs of education for Arizona-resident students.

The board continues to provide statewide, system-level vision, guidance and support for significant policy and legal issues that impact student success. During the past three years, the board has increased pathways, developed new delivery models, and implemented new tuition policies to increase access to higher education across our state.

This student-centered focus has led the board to incorporate new quality markers in its updated strategic framework, important for our students who expect excellence in their education. Likewise, student safety remains a top concern, and a statewide task force led to the enhancement of student safety and well-being on and off campus. The board also has increased student engagement and involvement in board and university processes to ensure the student voice is heard in key decisions.

- Developed new state funding model to support resident students
- Slowed rate of university tuition increases to enhance system’s cost effectiveness
- Introduced cost predictability and stability through new tuition guarantees
- Implemented fee and billing reform, improving clarity of student bills
- Led taskforce to assess and enhance student safety on and off campus
- Established new tuition rates for high school graduates and members of tribal nations who do not meet residency requirements
- Updated board policy to accept CTE credits for university admission
- Increased focus on community college transfers
From business leaders to policymakers to students and families, continued and ongoing public support is paramount as the board works to achieve its ambitious 2025 goals. Major policy reform must continue to distinguish public university governance and operations from the traditional state agency model and to encourage investment in both people and research to accelerate state economic development.

Key to our long-term success are efforts to solidify the resident-student funding model; reauthorize Proposition 301; encourage additional research infrastructure; increase state-based financial aid for needy students; and improve K-12 outcomes. The board also recognizes that better connecting the public universities to the entire public education system in the state, as well as aligning the P-20 system under mutual and aspirational goals, is vital to achieving greater educational attainment and meeting workforce needs.

This board made considerable strides in the past three years to reposition the state's public university enterprise for greater success and long-term competitiveness as we progress through Arizona's second century. Through all of this transformation, our mission remains little changed: to deliver the best possible university education to the greatest number of Arizona students. With the board’s leadership, Arizona's three public universities will meet the challenges before them – just as they always have.