Item Name: Proposed Amendments to the Presidents’ Contracts and Notice of Appointment for the Executive Director

☑ Action Item

**Requested Action:** The board office asks the board to approve proposed amendments to the presidents’ contracts and the notice of appointment for the executive director and to assign new at-risk compensation goals as described in this executive summary.

**Background and Discussion**

- The board conducts annual performance reviews with the presidents and the executive director and as a result may consider amendments to their contracts or notice of appointment and may assign goals for future at-risk compensation.

- President Crow has submitted his report on achievement of his 2018-2021 at-risk goals for review by the board. No other at-risk goals are outstanding.

- The attachments set forth proposed amendments to contracts for the presidents and the notice of appointment for the executive director as well as the assignments of future at-risk goals, as follows:
  
  A. President Crow  
  B. President Cruz Rivera  
  C. President Robbins  
  D. Executive Director Arnold  
  E. Enterprise Executive Committee

- At-risk compensation is intended to place a portion of the individual’s compensation at risk.
  
  o If the goal is not achieved, the individual is not entitled to payment for the goal;  
  o Payment is not made for partial achievement of a goal;  
  o Annual goals will be measured as of June 30, 2022;  
  o Multiple-year goals will be measured as of June 30, 2024; and  
  o Payment for achievement of at-risk goals will be made by December 31 of the year in which achievement is determined by the board.

- Approval of this item by the full board will authorize the chair to amend the contracts for presidents and the notice of appointment for the executive director as described in the attachments.

**Contact Information:**
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1. Award $50,000 for achievement of 2018-2021 at-risk compensation goals (see chart at A1);

2. Assign new annual and multiple-year at-risk compensation goals (as described in A2);

3. Adjust base compensation to $771,282, effective on October 1, 2021; and

4. Extend contract term through June 30, 2026.
A1
President Crow
Achievement of 2018 – 2021 At-Risk Goals

<table>
<thead>
<tr>
<th>Enterprise Performance At-Risk Compensation Goals</th>
<th>Possible At-Risk Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Freshman Retention.</strong> University President will be entitled to a payment of $10,000 for achievement of the 2021 fiscal year strategic plan metric goal in the Freshman Retention Rate of 88% with an additional payment of $10,000 for exceeding the goal by attaining a Freshman Retention Rate of 88.5%.</td>
<td>$10,000 or $20,000 (goal not met)</td>
</tr>
<tr>
<td>2. <strong>Research Expenditures.</strong> University President will be entitled to a payment of $20,000 for University attaining the projected 2021 fiscal year strategic plan metric goal for total research expenditures of $720 million with an additional payment of $20,000 for exceeding the goal by attaining total research expenditures of $745 million for the 2021 fiscal year.</td>
<td>$20,000 or $40,000 (goal not met)</td>
</tr>
<tr>
<td>3. <strong>Bachelor's Degrees.</strong> University President will be entitled to a payment of $10,000 for achievement of the projected 2021 fiscal year strategic plan metric goal in Bachelor's Degrees Awarded of 19,150.</td>
<td>ACHIEVED: $10,000</td>
</tr>
<tr>
<td>4. <strong>Total Students.</strong> University President will be entitled to a payment of $10,000 for achievement of the projected 2021 fiscal year strategic plan metric goal of 113,425 total students enrolling in the University.</td>
<td>ACHIEVED $10,000</td>
</tr>
<tr>
<td>5. <strong>Number of Degrees in High Demand Fields.</strong> University President will be entitled to a payment of $10,000 for achievement of the projected 2021 fiscal year strategic plan metric goal number of degrees in high demand fields of 11,966.</td>
<td>ACHIEVED $10,000</td>
</tr>
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<thead>
<tr>
<th>University Initiative At-Risk Compensation Goals</th>
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<tbody>
<tr>
<td>1. President Crow will increase the student athlete Graduation Success Rate, measured as of June 30, 2021, as follows: • Football, from 76% to 85%, and • Men’s basketball, from 93% to 95%</td>
<td>ACHIEVED $20,000</td>
</tr>
<tr>
<td>* If all of the multiple-year at-risk compensation goals (i.e., the enterprise metric and university initiatives goals) are achieved, the University President will be eligible for an additional at-risk payment of $50,000.</td>
<td>$50,000 (goal not met)</td>
</tr>
</tbody>
</table>
A2
President Crow
Proposed Annual At-Risk Compensation Goals for 2021-2022
Proposed Multiple-Year At-Risk Compensation Goals for 2021-2024

Annual Goals

1. Submit a report reflecting a detailed strategy for addressing educational gaps within Arizona by accelerating the diffusion of teaching, learning, and student engagement innovations to community colleges and other universities. The strategy should identify specific innovations and propose ways to further distribute them, with a focus on the needs of Arizona. ($ 30,000)

2. Submit a planning document for the launch of at least one of the 5 Future Science and Technology Centers in the Fulton Schools of Engineering (FSE), as part of the New Economy Initiative. The planning document should propose a strategy for attracting private capital investment and pairing new companies with FSE students who will perform research and technology development via capstone projects, entrepreneurial fellowships, and other curricular and extra-curricular pathways. ($ 30,000)

3. Clarify and document the expectations for communication, collaboration, and working relationships among ASU’s Teaching, Learning and Knowledge Enterprises, to include: 1) public-facing delineations of areas of primary responsibility and expectations regarding collaboration, 2) strategies for financial planning, and 3) a regular process to evaluate collaboration and communications for effectiveness and efficiency (to include designation of an individual or office responsible for overseeing the evaluations and determining how effectiveness will be measured). ($ 30,000)

Multiple-Year Goals

1. Demonstrate increased enrollment and student success in adaptive learning courses through offering more than 15 courses, with an increase in overall course completion (grade C or better) to more than 80% (from a base of less than 50%). ($ 30,000)

2. For Arizona students, increase enrollment and number of graduates by more than 10%. ($ 35,000)

3. Complete the design of the Global Futures Laboratory, with anticipated engagement of more than 700 faculty. Successfully merge the three schools of the College of Global Futures into a unique college with thousands of students (majors and minors). ($ 30,000)
EXECUTIVE SUMMARY

4. Build and document enhanced regional collaboration in research, with a focus on increased collaboration within Arizona higher education. ($35,000)

5. Submit a report that demonstrates substantial expansion of ASU Digital Prep within Arizona to at least 150 schools, with a focus on rural and underperforming schools. ($30,000)
Attachment B
President Cruz Rivera

Note: The board entered its contract with President Cruz Rivera earlier this year, so it is not under consideration for extension or amendment of basic contract terms at this time.

1. Assign new annual and multiple-year at risk goals (as described in B1), which will be included in the contract by amendment.
B1
President Cruz Rivera
Proposed Annual and Multiple-Year At-Risk Compensation Goals

Annual Goals

1. Submit a report that documents the assembly of a high-quality, collaborative, mission-driven and effective leadership team for NAU, that delineates administrative and deliberative structures, and that clearly articulates processes for decision-making and consultation. ($ 15,000)

2. Restructure pricing and financial aid along with necessary concomitant marketing and recruiting practices, promotional positioning, and attendant materials and communications to drive revenue and differentiate NAU in the market ahead of the Fall 2023 recruitment cycle. The report on this goal will document the proposed changes as well as the rationale for changes, and the corresponding assessment plan. ($ 25,000)

3. Develop a set of institutional goals and objectives through a collaborative process that leads to a clearly differentiated and distinguished NAU brand position within the Arizona and broader higher education landscape. The report on this goal should include a clear articulation of the value proposition for NAU, an initial set of strategic imperatives, NAU’s optimal, focused, regionally-connected and -embedded scholarly, research and creative agendas and the concomitant marketing strategy and corresponding intended brand positioning. ($ 35,000)

Multiple-Year Goals 2021-2024

1. Develop and implement a plan to expand the number of students from working class families enrolled by NAU, increase overall graduation rates, and narrow completion gaps for working class, first-generation, and minoritized groups, as a means to enhance NAU’s contribution to equitable postsecondary value. ($ 20,000)

2. Develop and submit a plan for implementation of statewide expansion of NAU’s Allied Health Programs and traditional NAU programs to include programs in Maricopa County, Pima County, Yuma County and distributed learning centers outside these three counties. ($ 30,000)

3. Develop and implement an operational plan to advance each of the five strategic priorities outlined in the University’s Diversity Strategic Plan: 1) accelerate toward a culturally competent community and accessible environment; 2) increase, support, retain and graduate underrepresented students; 3) increase, support,
retain and advance underrepresented faculty, staff, and administrators; 4) adopt accurate and reliable evaluation and assessment methods and metrics for all diversity and inclusion strategies and initiatives; and, 5) establish transparent and universal paths of communication and responsibility for diversity and inclusion. ($30,000)

4. Develop and implement a plan to increase the University’s profile and visibility within the Phoenix, Statewide, and National Latinx communities as a means to enhance NAU’s Hispanic Serving Institution (HIS) status and develop partnerships, programs, and student engagement efforts to better serve Hispanic students and the communities they represent. ($20,000)

5. Develop and implement a plan to further enhance NAU’s profile as a national leader in the service of Native American students and the communities they represent. Successful implementation of the plan will lead to increased numbers of degrees and credentials awarded to Native American students, as well as strengthened partnerships leading to enhanced direct benefits to Native American and Indigenous communities. ($20,000)
1. Assign new annual and multiple-year at-risk compensation goals (as described in C1);

2. Adjust base compensation to $754,515, effective on October 1, 2021;

3. Adjust contribution to the cash balance plan from 18% to 21%; and

4. Extend contract term through June 30, 2024.
Annual goals

1. Implement a new budget model to replace Responsibility Centered Management (RCM) and develop and begin implementation of a plan to reduce college and department overhead costs ("Academic Support") by at least $10 million through the appropriate centralization of support services like Information Technology, Human Resources, Finance, Marketing, Communications, Fundraising, and Advising. ($ 25,000)

2. Develop and document a strategy to raise attainment in southern Arizona through partnerships, collaborations and initiatives. The plan will include degree and other collaboration with Pima Community College to advance southern Arizona toward reaching the State’s Achieve60AZ goals. ($ 25,000)

3. Demonstrate substantial progress toward creating a Center for Advanced Immunology at the PBC. Achievement of this goal will include documenting related collaboration with NAU and ASU. ($ 25,000)

Multiple-Year Goals

1. Increase retention to 85.5%. ($ 20,000)

2. Leverage the Washington office of the UA to increase federal research funding by 10% (measured from June 30, 2021 to June 30, 2024). ($ 25,000)

3. In collaboration with UA Global Campus and its board, demonstrate substantial progress toward enhancing the student experience and outcomes of UA Global Campus. Measures should include an improvement in the on-line course completion rate, a decrease in the on-line student attrition rate, and the number of UAGC courses taught by faculty who are benefits eligible. ($ 30,000)

4. Implement and document an Information Technology security governance framework that includes: an IT security strategic plan, articulated roles and responsibilities, policies and guidance, training across the university in security awareness, and processes for monitoring and evaluating the effectiveness of institutional IT security practices. ($ 25,000)
5. Implement and coordinate a collaborative relationship with ASU and NAU that substantially raises the research potential of the UA College of Medicine Phoenix. The report on this goal should include descriptions of written collaboration agreements as well as joint proposals submitted and awarded. ($20,000)
1. Assign new annual at-risk compensation goals (as described in D1); and

2. Amend Notice of Appointment to reflect an annual base salary of $297,000.
Attachment D1
John Arnold
Proposed Annual At-Risk Compensation Goals

1. Make significant progress on metrics for board approval that contribute to differentiating the three universities for the benefit of Arizona. Achievement of this goal will include a proposal for continued reporting to the board on progress on the metrics. ($ 20,000)

2. Coordinate university and board office resources to finalize each university’s revised General Education requirements for board approval. ($ 20,000)

3. Coordinate university and board office resources to enhance public awareness of the role of higher education in – and goals for—Arizona. ($ 20,000)
1. Assign the following new annual at-risk compensation goals for 2021-2022 as set forth in E1.
1. **Financial Aid**

   The EEC is assigned to work collaboratively to develop policy proposals to reform university institutional financial aid. This goal includes two elements:

   A. **Implement the Arizona Promise Scholarship:** Propose policy to implement the Arizona Promise program as a single uniform program across all three institutions; develop an implementation plan for the scholarship that includes internal university policy, a marketing plan, and a cost analysis of the scholarship program. The policy elements of this goal are due by December 15, 2021.

   B. **Address high discounting for resident students:** Review existing discounting policies at each of university and determine if current discounting is inappropriately high. If so, examine the reasons for the over discounting and make recommendations to the board on how to address this issue including whether or not the board should implement policy to govern discounting levels.

   (Total possible to each member of the EEC for full achievement $ 30,000)

2. **Health Sciences**

   The EEC is assigned to work collaboratively with the board to review the current structure of health sciences in Arizona. The review should include an inventory of current health science assets including the programming, organization, governance, and quality of those assets. The review should include both academic and research activities. The board will procure the services of a third-party consultant to assist in the review.

   The EEC will work with the Chair of the Research and Health Sciences Committee on the engagement of and the scope of work for the consultant.

   (Total possible to each member of the EEC for full achievement $ 30,000)