

## Strategic Planning and Budget Advisory Committee

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### Minutes

Wednesday, August 18, 2021  
8:15-9:50am *via Zoom*

Present: B. Brummund (**Co-Chair**), S. Helm (**Co-Chair**), M. Abecassis, L. Benson, B. Berrellez, C. Bourget, E. Cantwell, E. Cheu, J. Duran, J. Florian, L. Folks, D. Hahn, G. Heileman, L. Hudson, J. Hunter, J. Jones, I. Moore, S. Moore, G. Perry, C. Ramirez, L. Rankin, J. P. Roczniack, H. Rodrigues, L. Rulney, R. Stephan, J. Summers, M. Taylor, K. Van Renterghem, B. White

Absent: S. Colina, A. Miller, S. Sen, S. Troutman, N. Vega

Guests/Observers: K. Bonine, J. Dudas, C. Henderson, M. Hingle, H. Jensen, J. O'Neil, S. Pawar, A. Romero

Presenters: Liesl Folks, Senior Vice President for Academic Affairs and Provost;  
Brent White, Vice President Global Affairs; Craig Wilson, Vice Provost Online & Distance Education

### **Call to Order**

Co-Chair Helm called the meeting to order at 8:20am

### **Approval of the Minutes of August 4, 2021**

The approval of the minutes of August 4, 2021 was tabled until the next meeting to allow for an amendment.

### **Non-COVID-19 Senior Leadership Updates and Updates on Re-entry**

#### **Steve Moore, Senior Vice President, Chief Marketing/Communications Officer**

Moore updated the committee on changes to the marketing team that will focus on recruiting of students during the enrollment process. He added digital media buying had transitioned to a new platform. Moore highlighted improved efficiencies in specific cities that would allow for better collaboration with employees working in the field. Moore encouraged members to review the new Wonder campaign materials. He added the University was looking into participation at SXSW for 2022. He informed the committee his office did not have marketing focused on Arizona Global and described the system in place to route phone and web inquiries for Arizona Global. A committee member asked for further information regarding protocols and metrics related to UAGC communications.

#### **Lisa Rulney, Senior Vice President and Chief Financial Officer, Business Affairs**

Rulney updated the committee on open searches for the Vice President of Facilities Operations and Campus Planning, Vice President and Chief of Police, and Executive Director for University Bookstores. She added the Student Union is now the one-stop location for alcohol for on-campus events. Rulney added the financialization modernization project was still in early stages and an RFP for the new system was out. More communication about this process will be forthcoming and SPBAC will be included. She stated auditors had arrived for FY21 and the goal was to have the FY21 statement ready by October. Nicole Salazar, Vice President, Financial Services, will give a presentation to SPBAC at a future date regarding this item.

**Liesl Folks, Senior Vice President for Academic Affairs and Provost**

Folks updated the committee regarding preparations to the campus for mostly in-person teaching. She stated work was underway to prepare and share guidance to the University community. She encouraged everyone to support and practice good health and prevention measures including getting tested weekly to identify and isolate COVID infections. Folks stated the incoming class would be larger, including an increase of approximately 3,000 students. Folks clarified comments from the previous SPBAC meeting and stated the Graduate College will be considered an academic unit for budgeting and accounting. She added funding flows to courses within GIPD will become the model for funding to courses going forward.

**Elizabeth Cantwell, Senior Vice President, Research and Innovation**

Cantwell updated the committee on the target set by ABOR regarding reaching \$1B in research expenditures as measured by HERD. Major research-intensive units will create strategies for their component of this goal. Cantwell stated there will be costs associated with this process. She added new federal funding was available, but not for individual researchers. Cantwell stated that going forward, TRIF will involve a \$30m cap and researchers will aggregate anything that is above that amount that is captured via sales tax. Cantwell introduced the Regent's Fund which will involve tri-university proposals for the distribution of funds. She also introduced the first iteration of the RII Foresight Committee which will provide faculty advising for research at the University. The first meeting of this committee will be in September and members were selected by Deans.

**Jessica Summers, Chair of the Faculty**

Summers expressed thanks to those faculty members who signed the recent petition supporting the requirement of masks in places where social distancing is not possible.

**Presentation and Discussion: Update on Organization and Financial Status of UAGC/Arizona Global/Online, Distance, and Continuing Education**

**Liesl Folks, Senior Vice President for Academic Affairs and Provost;**

**Brent White, Vice President Global Affairs; Craig Wilson, Vice Provost Online & Distance Education**

Folks informed the committee the amount of funds coming to the University from the purchase of UAGC will be \$20M. She added legal costs will amount to roughly \$3.5M which will be taken out of the inflow of funds. President Robbins is reviewing the best places to deploy funds. Folks stated the UAGC board of directors had been established and shared information on its membership. Members from the University included Gail Burd, Lehman Benson, Marc Miller, and Gary Packard. The board has been meeting regularly and was engaged in the transition.

Folks stated the biggest challenge for the organization was the shift in the relationship with Zovio. She added the relationship changed to a customer-vendor relationship. KPIs and accountability for the

relationship with Zovio have been established. UAGC is working to move headquarters to Arizona, likely a location in the Phoenix metro area.

Folks stated UAGC had been struggling with recruitment following the rebranding. Because of the structure of the legal agreement regarding branding, the University of Arizona is insulated from any fluctuations from enrollment on the UAGC side. A Joint Academic Advisory Council has been charged by both institutions' president and has met once. Folks shared details of the council's mission and membership. Founding representatives from the University included Craig Wilson, Lee Ryan, Catherine Brooks, and Yong Liu. She encouraged feedback regarding the council to be submitted via the council's webpage. Chair of the Faculty, Jessica Summers, suggested having the council present to Faculty Senate on a regular basis to provide updates.

A committee member asked how the amount of inflowing funds changed from the amount of \$37M originally announced to \$20m. Folks responded the overall amount had not changed and this was the first payment to flow to the University. The committee member also asked when an unredacted version of the UAGC purchase contract would be made available. Folks responded she will inquire about this but added she didn't think anything had changed with the legal organization and redactions were due to Zovio's status as a publicly traded company. She added the University did not have a differentiated relationship with other institutions and there were no special line-items for differentiation.

White provided an overview of Arizona Global and revenue generating activities.

FY21 gross revenues to the University by activity were broken down as follows:

- International Admissions: \$60,175,928
- Global Education: \$7,554,212
- International Student Services: \$1,866,224
- Study Abroad: \$550,683
- International Faculty & Scholars: \$336,125
- Passport Office: \$158,925
- Total Gross: \$70,642,097

White stated the Central Budget Allocation was cut to \$1,862,443 from \$2,880,942 in FY20.

White summarized Arizona Global's FY21 total actuals as follows:

- Revenue: \$8,657,143
- Expense: \$8,176,216
- Net Result: \$480,927

White stated the main international NTR saw a decline to \$60.2m for FY21. The discount rate for international students was 22%. White noted that 108 international students studied remotely while out of the country. There were 271 students enrolled in Global Direct. 141 Global Direct students have now transferred to the main campus. The total number of international students was 4,616, a new record.

White provided an overview of recruiting for international undergraduate students. He stated for Fall 2021 there were 5,600 applicants for international undergraduates (up from 4835 in Fall 2019). Enrollment fees were ahead of the previous year. In terms of international graduate students, White stated there 4,013 applicants for Fall 2021 (up from 3,435 in Fall 2019).

White informed the committee that microcampuses had generated \$20.5M in revenue to date. For FY21 total microcampus revenue was \$7.9M. He added that projected growth for FY22 was on track.

A committee member asked who conducts oversight of microcampuses and for a breakdown of each campus. White responded he would share that information. The committee member discussed oversight of the International Office and asked what review process existed for the office. White responded that oversight rested with the Provost's Office and explained the process by which surveys were conducted to assess performance of the office.

Wilson updated the committee regarding Online, Distance, and Continuing Education at the University. He described a "life-long learning loop" in which students may enter from credit and degree seeking programs in Arizona Online, Distance Education or from non-credit programs as part of Continuing Education. Wilson provided details for each program including:

- Arizona Online had 169 total programs and averaged adding about 8 programs a year. There were 41 corporate partners. Gross Revenue was projected at \$87M for FY22, up from \$77M in FY21. Growth was roughly \$20m year over year since FY20. Arizona Online enrollment for FY21 was 4,088 undergraduates and 2,664 graduates.
- Distance Education had 31 total programs and experienced growth in terms of corporate partnerships. Revenue was expected to be \$11.3M for FY22, up from \$7.8M in FY21. Distance Education enrollment for FY21 included 755 undergraduate and 155 graduate students.
- Continuing Education had a total of 60 programs. Revenue for FY22 was forecast at \$1.47M. Continuing Education enrollment for FY21 was 705. 486 students completed non-credit programs.

Wilson concluded by stating FY22 would include 8,367 learners. He also explained the online plus format which leveraged online curriculum and placed content into different modalities. He stated this model was based on positive student responses to the live online format and would drive enrollment on the distance side by leveraging locations to offer a broader curriculum.

A committee member asked for information about expenses for Arizona Online and marketing differentiation. The also asked for more information about the yield of corporate partnerships.

### **Adjournment**

The meeting was adjourned at 9:50 am.