



Student Affairs Policy Committee

Wednesday, May 4, 2022
3:00 p.m. – 4:30 p.m.

Via Zoom: <https://arizona.zoom.us/j/83146073062>

AGENDA

1. Call to order
2. Approval of the minutes of April 13, 2022- will be done via email.
3. Updates:
 - a. SAPC Annual Report
 - b. GI Bill & UA Global Campus
 - c. Mandatory Meal Plan for incoming residential freshmen in Fall 2023
4. Presentation by Student Success & Retention Innovation (SSRI) – 45 minutes:
 - a. Jenny Nirh (Director, Collaboration, Communication, and Outreach Innovation)
 - b. Marco Ortiz (Director, THINK TANK)
 - c. Jen Ludwig (Director, Strategic Interventions and Data Management)
 - d. Laura Andrews (Senior Analyst, Assessment and Research)
 - e. Michelle McKelvey (Director, Thrive Center)
5. Other Business
 - a. SAPC Membership
 - b. Discussion of SAPC's goals, schedule, and initiatives for AY 22-23
 - c. [NAU's free tuition announcement](#)
6. Adjournment

Strategic Planning and Budget Advisory Committee

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Minutes

Wednesday, May 4, 2022
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, S. Colina, 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, R. Robbins, H. Rodrigues, L. Rulney, R. Stephan, J. Summers, M. Taylor, K. Van Renterghem, N. Vega

Absent: A. Miller, J.P. Roczniaak, S. Sen, S. Troutman

Guests/Observers: K. Bonine, G. Burd, J. Dudas, C. Henderson, M. Hingle, H. Jensen, T. Lien (UAGC), J. O'Neil, P. Robles, A. Romero, P. Scott, K. Urquidez, C. Wilson

Presenter(s): Paul Pastorek, UAGC President
Sarah Steinberg, UAGC Provost
Katie Scheie, UAGC Chief Operating Officer
Lisa Kemp, UAGC Chief Financial Officer

Call to Order

Co-Chair Helm called the meeting to order at 8:17 a.m.

Approval of the Minutes of April 20, 2022

The minutes of April 20, 2022 will be approved at the next meeting.

Co-chair Helm welcomed UAGC's team and explained that the presentation was prepared using fourteen questions generated by SPBAC members. There were 77 slides originally that were condensed to 52 in order to get the necessary information to committee members in one meeting. Co-Chairs Helm and Brummund gave recommendations to the UAGC team, so the topics covered fit into SPBAC's purview. The original and condensed presentations will be made available to members in SPBAC's Box folder.

Presentation and Discussion: UAGC Facts, Budget, Strategy

(Presenters: UAGC President Paul Pastorek, Provost Sarah Steinberg, Chief Operating Officer Katie Shay, Chief Financial Officer Lisa Kemp)

President Pastorek apologized about not having a presentation ready for the original SPBAC meeting for UAGC. He introduced his team and explained how they came to be part of UAGC's leadership team. There are 13 topics that will be discussed throughout the 52 slides. Pastorek showed a leadership chart; these colleagues meet quarterly to discuss UAGC's position in the online world. Within the board of directors there are 9 people; of the 9, 4 are active UArizona employees. UAGC's vision is to empower, support and enrich in order to graduate every student. Their mission is to focus on being a caring, supportive environment for students. UAGC is a student-focused university that works mostly with working adults; they have to be flexible in order to serve their population properly. UAGC's purpose is to help transform the higher education landscape and make education accessible for everyone.

UAGC's strategic plan started year-one in 2021. There are 4 main categories: integrity and regulatory compliance, academics and student persistence, finance operations and culture, and human capital. With the switch from Ashford to UAGC, UAGC was able to complete all of its year-one goals with the exception of 2 which were in-process. Looking ahead, UAGC has 4 critical goals: retain students during the 1st year of enrollment, support completion of programs and educational goals driven by student-based timelines, offer high-value credentials with marketable skills, and enhance students' economic return.

UAGC has an international footprint, starting with a pilot "Doctor of Management" degree in China. They have a goal of finalizing the partnership with AZ Global; the target date is September 1, 2022. The next step would be to offer bachelors and master's degrees to students in AZ Global; they are unsure when this would happen. UAGC will play a key role to UA Strategic Pillars; sitting under the 3rd and 4th pillar, UAGC has a role in advancing the land grant mission and expanding UA's global presence. UAGC has a Student Success Committee that meets quarterly that evaluates initiatives and reviews progress on goals. Shay gave information about the target demographics and Arizona marketing. UAGC uses paid media efforts to target ages 25-55 throughout the United States with the exception of DC, MA, NY, PR and Tucson, AZ.

Brummund asked about Marie Henderson and the Delivery Unit's responsibilities. Pastorek explained that their responsibility is the accountability function; Marie helps establish a target/goal and makes sure that those targets are being met. UAGC needs an independent person to see if the activities are working.

Kemp explained that UAGC was audited and found to be in good order; they are also in compliance with Title IV. The enrollment trend from FY '18 to FY '23 saw a decline of 30%, for a total of 12,000+ students; from FY '21 to FY 22' the trend showed only 15% decline for a total of 5,000 students which shows improvement. UAGC's financial performance is tied to their contract with Zovio. Pastorek explained that part of the contract with UAGC's OPM, Zovio, is that if enrollment goes down their costs are

guaranteed and deducted from Zovio's 19.5% fee. With this clause, UAGC is always guaranteed to break even and if enrollment goes up, then UAGC is in the positive. In looking at Q3 of FY '22, UAGC ended up favorably by \$2 million (they started in the negative \$10 million, reduced costs by 12 million and will end in the positive). UAGC carries no debt; the intangibles and other assets are a result of the original purchase agreement. Their statement of cash-flows shows net cash from operations increasing each quarter. UAGC monitors their cash flow weekly and reports at various times during the month to the Department of Education and UArizona. UAGC pays Zovio monthly; the OPM agreement allows for reducing direct cost payment for maintaining a healthy cash flow (the adjustment will be remitted by the end of the year). UAGC prepares 2 years of budgets at once; they have just completed round 1 of FY' 23 working budget. They will have final FY '23 and preliminary FY' 24 for the board prior to the end of the fiscal year.

Operations expenses, which include personnel cost and fringe benefits, will increase from FY '22 to FY '23, \$95,433,283, to \$119,803,721. Student enrollment is looked at on a weekly basis because it drives net tuition revenue. As of March 29, the actual enrollment was 28,342 and the budgeted enrollment was 30,350 with a -6.6% difference. For FY '23 the beginning enrollment is 2500 less students than in FY '22 (-8.5%). UAGC is working on recruitment. A committee member asked how an enrolled student is defined. Kemp explained that UAGC includes those who are matriculated and retained, also considered their active population. Most courses are three credit hours; full time is 8 classes per year for undergraduate students and 6 classes per year for graduate students. This drives the net revenue per enrollment which is what they base their numbers on. The member asked if the student is considered active if they are enrolled in one course only. Kemp explained that her team pays attention to the average weekly enrollment and average active enrollment; the active enrollment is what drives tuition revenue.

A committee member asked what the maximum enrollment goal for UAGC would be. Pastorek explained that UAGC does not have a goal like that; their goal is to reach working adults within populations that are looking for access. UAGC can flex with large or small enrollments and cost goes down when enrollment goes down. Pastorek explained that since he has taken over as president, there has been a shift from focusing on new enrollments to focusing on retention and total enrollments. Ashford (pre-UAGC) measured success by new enrollments, not total or retained enrollment. One example is that UAGC will not enroll a student if they have not filled out their FAFSA. Pastorek feels that students need to understand the full financial implications of getting a degree at UAGC before they enroll and start taking classes. UAGC wants students that are successful; if a student is not ready, they will be put through a preparation course so they can gain experience and be brought in when they are ready. A committee member asked if there is a break-even number for enrollment. UAGC is currently working on that and consider it the biggest goal on their plate.

Scheie brought up marketing and UAGC's recruitment budget which is all paid media spent. For FY '23 the working budget is \$61,319,229 which is up from FY '22 at

\$53,235,852. A committee member asked about the return on investment as this looks like a lot of money on paper and how it compares to what UArizona spends. Scheie conceded to Craig Wilson, Arizona Online Vice Provost. Wilson explained that AZ Online spent just over \$7 million and is about ¼ the size of UAGC. He expressed that there are so many entities competing for online space; in the online world you have to spend to be found. Wilson found the number to be normal for an online university. Pastorek explained that his team has been looking at best of class because UAGC wants to be excellent stewards with this money. He has been told that this number is in the right place but lower than it needs to be to remain competitive. A committee member asked about the possibility of overlap of students between AZ Online and UAGC; Helm explained that this will be answered later in the presentation.

Pastorek brought up Zovio, which is UAGC's third party contractor. Zovio provides specified services, which help the university run efficiently. Pastorek helped with the transition from Ashford to UAGC on 12/1/21 and board members asked him to stay on as president of UAGC partially because of how he worked with Zovio during this time. UAGC pays Zovio 19.5% service fee plus direct cost, which is negotiated at the beginning of the budget cycle. A committee member asked what happens if the relationship ends? Pastorek explained that UAGC has a 15-year contract with Zovio, so his team is working with Zovio's new leadership to make adjustments in services and cost to ensure that they are giving the students what they need. UAGC has authored Statements of Work (SOW) for Zovio to ensure accountability; these are adjusted every budget cycle. To manage compliance, all calls made to students are recorded and evaluated by artificial intelligence software for key words and phrases. If UAGC determines that there is a problem, they report it to Zovio and figure out a solution. All of the calls are scripted, which are audited by regulatory agencies to make sure that it is being done properly. A committee member asked if there is any way to move away from Zovio. Pastorek expressed that the only way out is if Zovio misses the KPI's for performance compliance. Some of the services will be moved away from Zovio because they can be found elsewhere for less money and better service. Pastorek's team has researched other OPM's just in case Zovio misses the mark.

Steinberg talked about degree programs and enrollment. UAGC has two sets of programs right now: UAGC programs active and accepting new students and UAGC programs active and not accepting new students. UAGC has 51 (30 undergraduate, 17 masters and 4 doctorate) programs that are active and accepting new students; the total student enrollment is 27,344. UAGC has 33 (29 undergraduate, 4 masters) programs that are active and are not accepting new students; the total student enrollment is 1,836. There are no new program launches for FY '22 or FY ' 23. In 2019 there was a deliberate decision made to consolidate the 6 schools of UAGC down to 2 main units: the College of Arts & Sciences and the Forbes School of Business and Management. In the same year UAGC downsized their program offerings from 88 to 51. To address the possibility of overlap with AZ Online, UAGC did the research and determined which programs overlap and where they overlap. In comparison, 11 (8 undergraduate and 3 graduate) programs have direct overlap (same Classification of Instructional Programs, CIP, same degree type), 12 (7 undergraduate and 5 graduate) programs have partial

overlap (same CIP, different degree type), and 13 (6 undergraduate and 7 graduate) programs have direct/partial overlap and are accepting new enrollments at UAGC. UAGC is offering 903 courses for the next fiscal year, which is based on current enrollment and retention projections.

UAGC has a shared governance entity that they call the Faculty Council. There is equal representation for full time and part time professors. UAGC's faculty is student-facing; they should be engaging with students regardless of position with UAGC. Pastorek explained that Power of One has to do with student support and is equally implemented by all faculty teaching in a program; it is supported by the Faculty Council. The positions on the Faculty Council are all elected positions by faculty and it is chaired by the deans of the two schools. The flow of information goes from deans up to senior leadership; this allows for a communication pathway for all. A committee member asked for more in-depth information about program overlap; Helm expressed that for the sake of time, SPBAC should focus the remaining time on a pathway forward and how to progress.

Helm asked Burd to give an update on the next steps. Burd explained that the steering committee that she heads is close to making a recommendation on structure; as soon as that is done, the group will start looking at accreditation. The recommendation will be for UAGC to come into UArizona as a branch campus. This allows them to retain their faculty, students, HR, IT, administration, etc., and allows for UArizona to decide where there are deficiencies and how to make improvements. For this to happen there are regulatory steps that need to be completed which may include a change of control. On recommendation of the steering committee and the Vice-Chair of the Faculty, Burd will be putting together an ad-hoc group of students, staff and faculty to think about how this branch campus will operate within UArizona. They will be looking into how UAGC will integrate in some ways and not in others. This recommendation is supported by Jane Hunter's strategic planning team; they are doing work to collect data about other institutions who have done something similar before. One difference is that UAGC is accredited by WASC and UArizona is accredited by the HLC, and this cannot be if UAGC is brought into UArizona as a branch campus. UAGC and UArizona have to have the same accreditor; the steering committee is looking at pros/cons of WASC and the HLC. Burd will send an invite to faculty who want to participate in an ad-hoc working group. A committee member asked what it means to have an online branch campus as most branch campuses are anchored to a community, like UArizona's Sierra Vista branch campus. Burd explained that the steering committee is looking at a branch campus because they run their business as a local enterprise. UAGC was founded in Chandler, AZ and many staff are currently located there. UAGC has faculty/staff all over the world, but their physical base is in Chandler.

Helm explained that all of the questions in the chat will be forwarded to Paul Pastorek's team for a response and will be sent to the committee once they are answered. She thanked Pastorek's team for their effort and presentation today and expressed hope that SPBAC will continue to be helpful in the UAGC effort. Helm and Brummund will work with Burd to figure out the most effective way to continue fostering dialogue and getting feedback.

Adjourned

With nothing further, the meeting adjourned at 9:50 a.m.