



NORTHERN
ARIZONA
UNIVERSITY



Redefining Our
RELATIONSHIPS
And Prioritizing
INVESTMENTS

President Rita Hartung Cheng – March 11, 2015

YAVAPAI



Page
Verde Valley
Scott
Lake Havasu City
Phoenix
East Valley
West Valley
South Mountain
Chandler/Gilbert
Signal Peak

YUMA



Flagstaff

Phoenix

Tucson

Kayenta
Tuba City
Chinle
Keams Canyon
Fort Defiance
Ganado
Show Low
Paradise Valley
Scottsdale
Whiteriver

PHOENIX BIOMEDICAL

Mesa
GateWay
Apache Junction
Communion
Thatcher
Aravaipa



TUCSON NORTH

Tucson



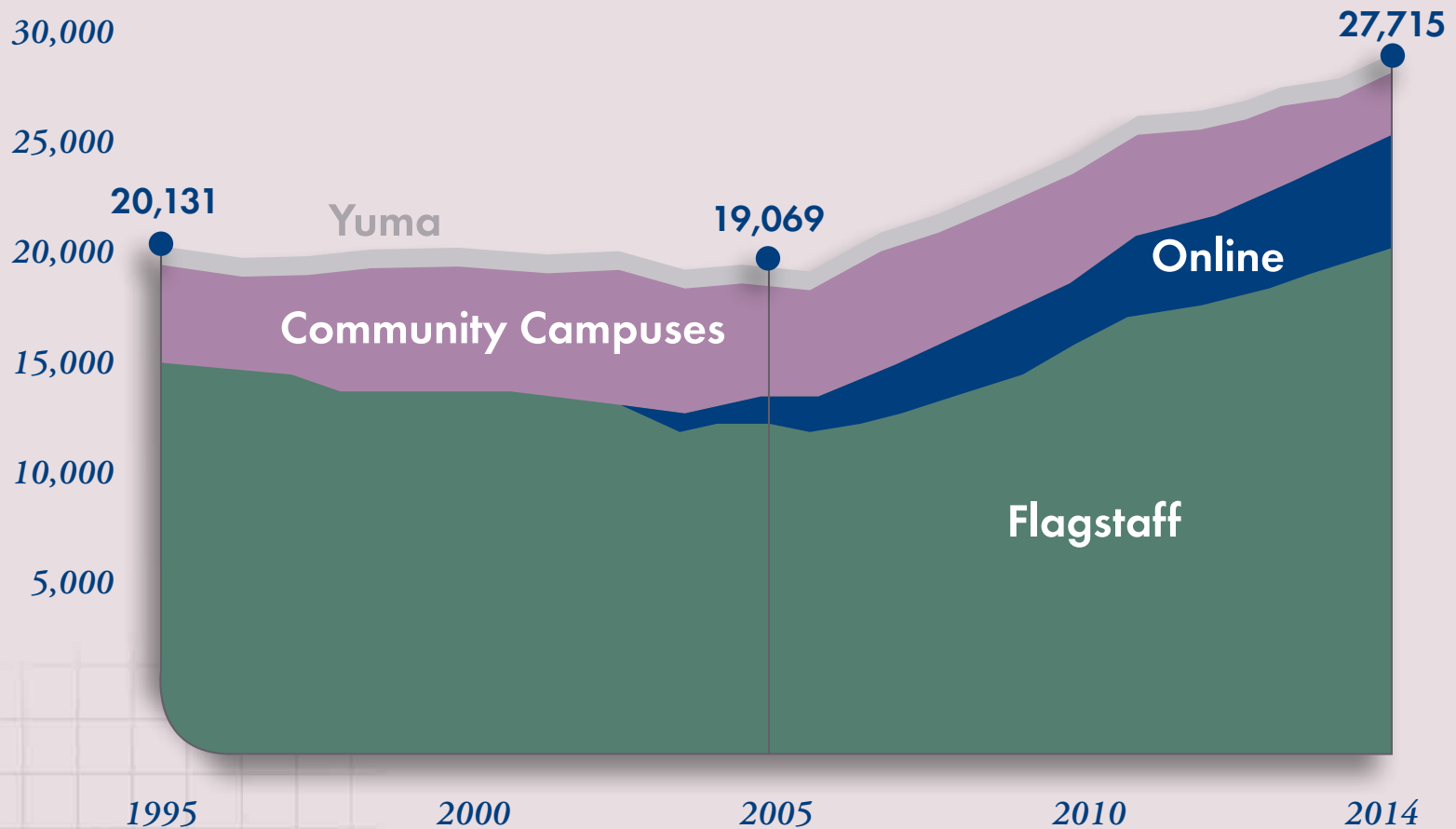


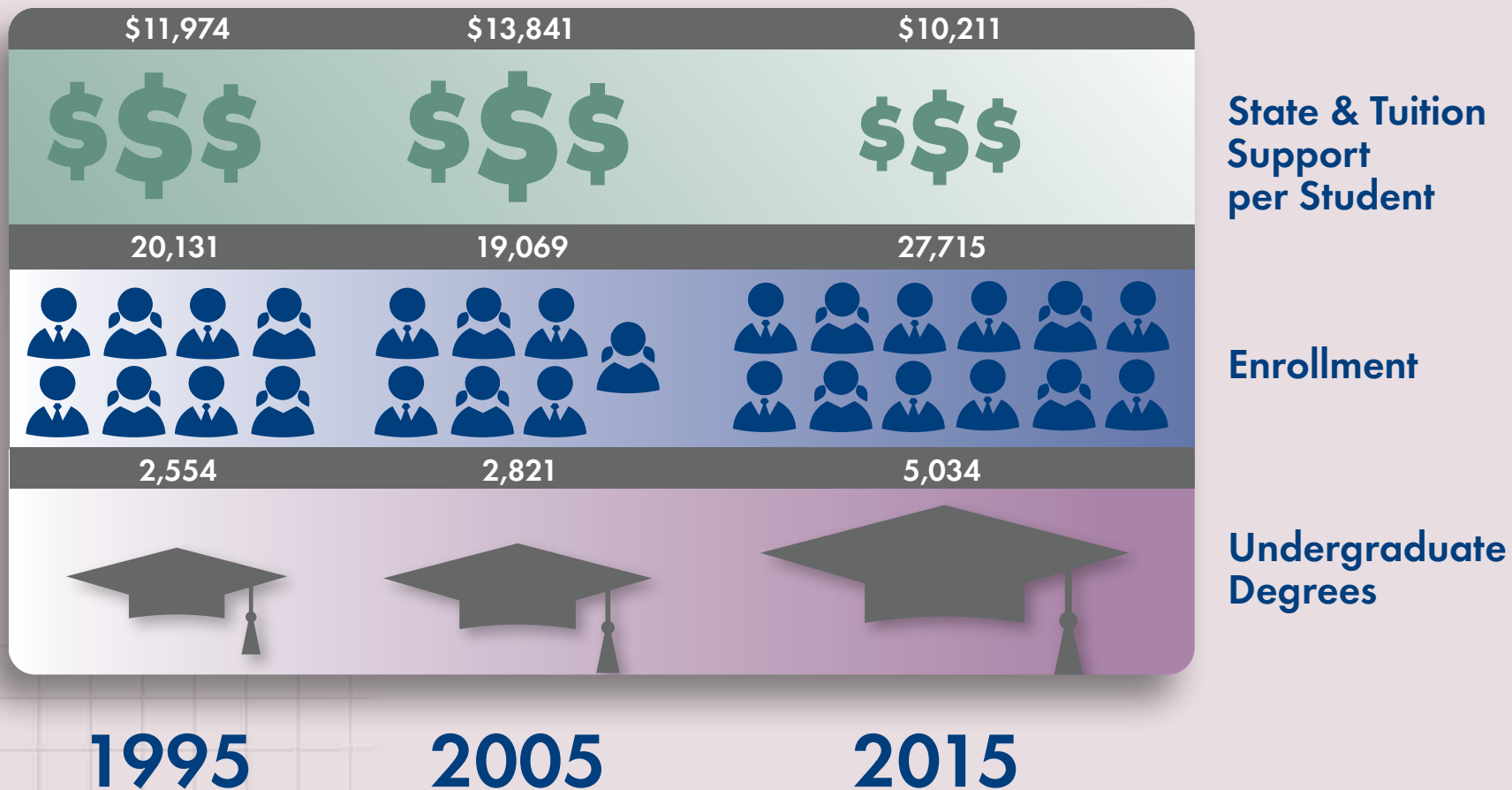
How Far We Have Come

Old



New





Red Buildings

2005

9 BUILDINGS

Physical Sciences

Chemistry

Biological Sciences

Educational Annex

Adel Mathematics

Anthropology

Learning Resource Center

Engineering & Technology

Business Administration

2010

7 BUILDINGS

Physical Sciences

Chemistry

Biological Sciences

Academic Annex

*North Heating
& Cooling Plant*

Adel Mathematics

SBS West

2015

5 BUILDINGS

Biological Sciences

Physical Sciences

Chemistry

Wall Aquatic Center

Adel Mathematics

2016

4 BUILDINGS

Biological Sciences

Physical Sciences

Chemistry

Adel Mathematics



Partnerships



Four Forest Restoration Initiative



Phoenix Biomedical Campus



1899 Bar & Grill



High Country Conference Center



American Campus Communities

Economic Impact

- ▶ NAU's economic impact in Arizona is approximately \$1.845 billion.
- ▶ 61% of NAU graduates reside in Arizona and our alumni circulate \$1.65 billion in the Arizona economy each year.
- ▶ Regionally, NAU activity contributes \$1.158 billion in Coconino County's economy and one in every five jobs in this county is a result of NAU's presence.
- ▶ In its second year of operations (2013-2014), NAU's programs at the Phoenix Biomedical Campus had an economic impact of \$17.5 million.





Academic Plans & Student Success

Only at NAU

FACULTY

ENVIRONMENT

ACTIVE LEARNING

TECHNOLOGY

STUDENTS

*Many traditionally aged (18-22)
from diverse backgrounds*

First-generation – 42%

But ... 1/4 adult learners

Student = Partner



Our Students

Average Freshman
Cohort HS GPA
Fall 2014

3.5

Female
AZ Resident
Under 21
Over 30

Flagstaff

Community Campuses

Online

55%

67%

71%

62%

98%

86%

57%

3%

2%

5%

52%

59%



Academic Programs that Open Doors for Students

Historically strong programs

- Education, forestry, HRM, pre-professional, business

New programs serving Arizona's needs

- Health professions, STEM, interdisciplinary



Defining Quality: High Impact Practices



Culminating
Senior Experience

67%



Service Learning

61%



Internship or
Field Experience

47%



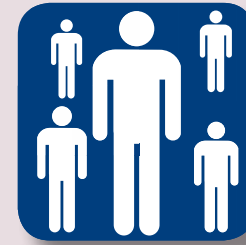
Learning
Community

28%



Research
with Faculty

23%



Leadership in
Student Organizations

5%

Defining Quality: Faculty Innovations for Learning

► First Year Learning Initiative

Built on active learning,
early engagement

80+ certified courses serve 95%
of all first-year students

Last year prevented 800 “failed”
courses (\$1.3 million saved costs
to students)

► Global Learning Initiative

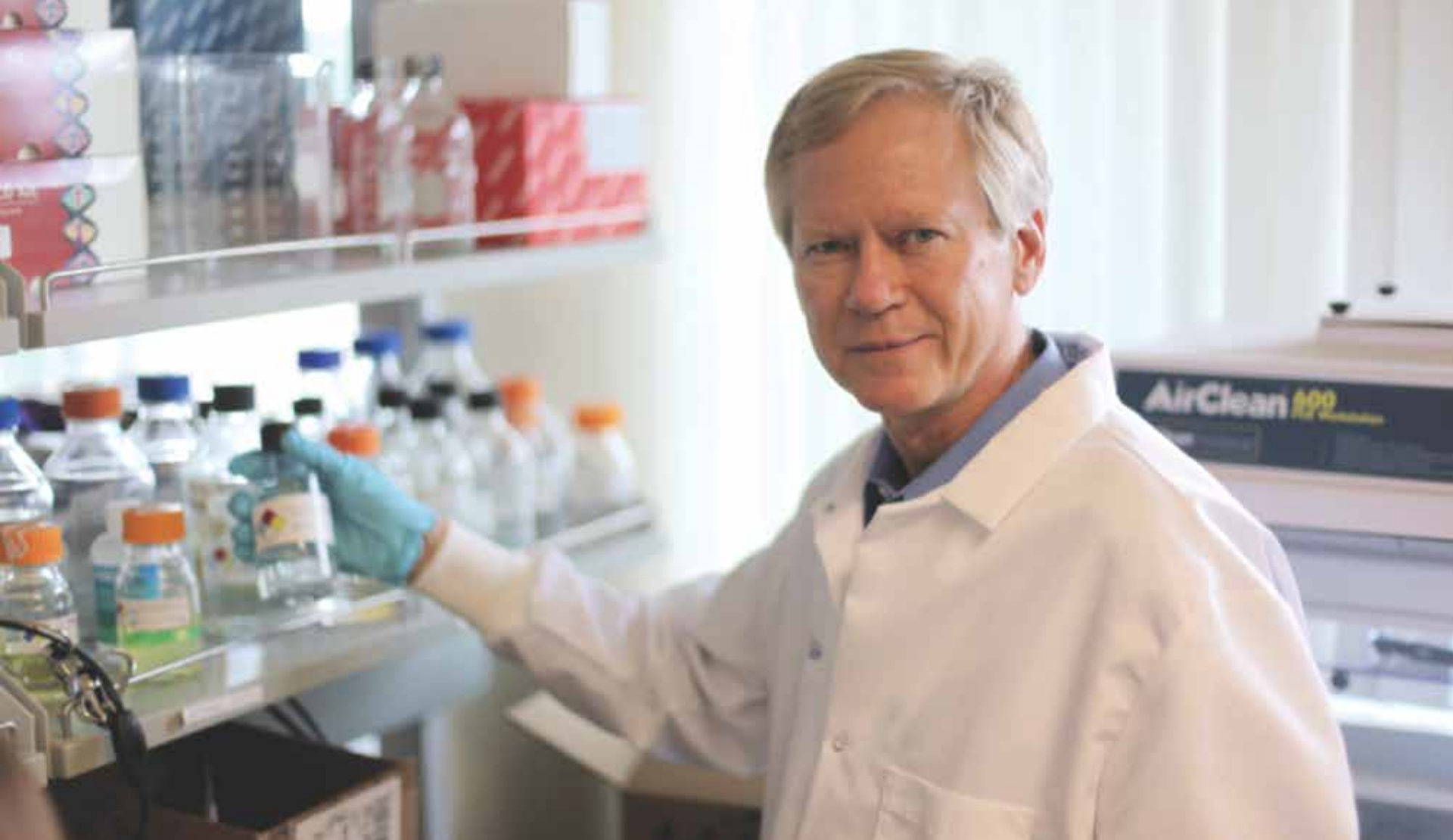
Every major, every student has
discipline-centered global perspective

► Defining and Assessing Learning

Learning goals for each course, each
degree program documented
(75% of all programs in past 2 years)

Learning assessment incorporated into
continuous improvement, program review



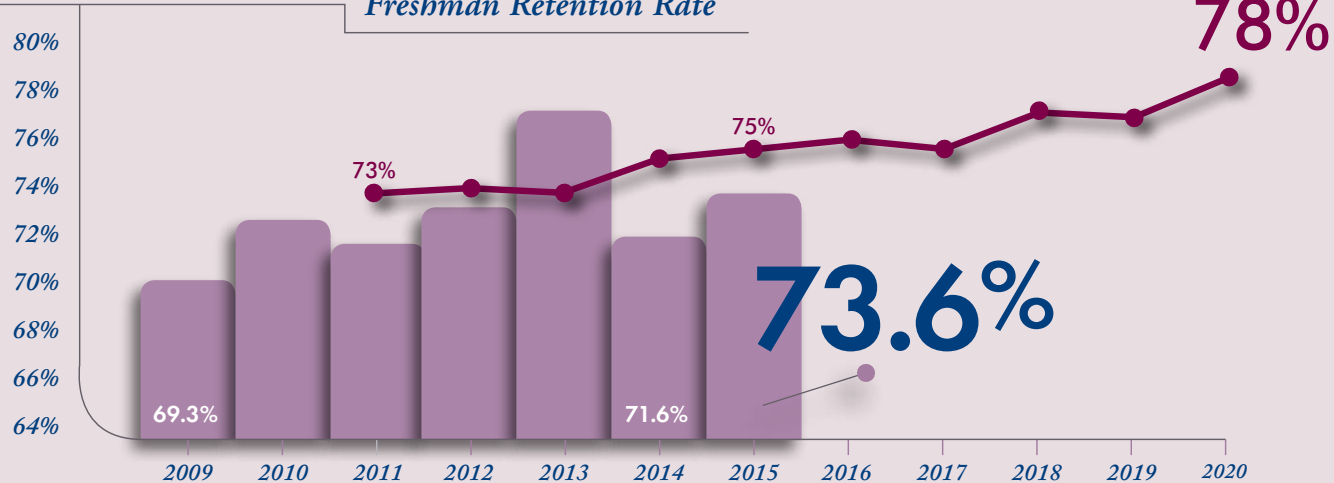


"NAU IS ABOUT UNDERGRADUATE EDUCATION, BUT THESE STUDENTS ALSO
provide a large motivated research workforce. Much of our international success in pathogen genomics has been driven by undergraduate hard work and devotion. In return, they get a scientific education that is based upon workplace experience in a real life research environment." – PAUL S. KEIM, NAU & TGEN

Defining Success

ENTERPRISE METRIC 8

Freshman Retention Rate



ENTERPRISE METRIC 7

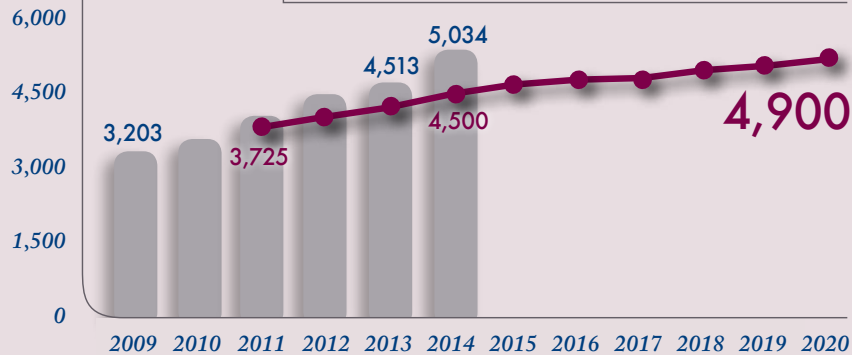
6-year Graduation Rate



Meeting Arizona Workforce Needs

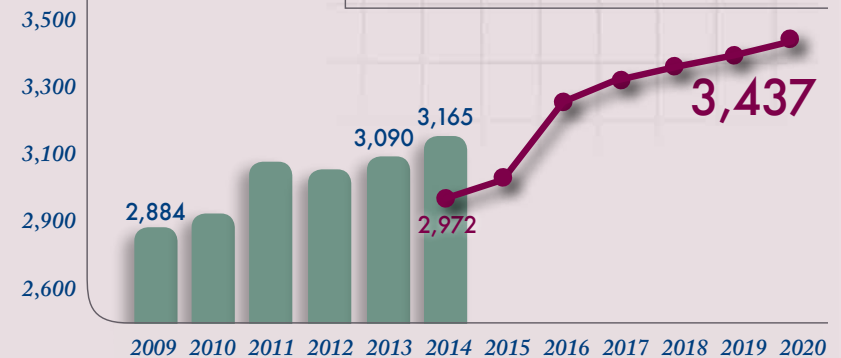
ENTERPRISE METRIC 1

Number of Bachelor's Degrees Awarded



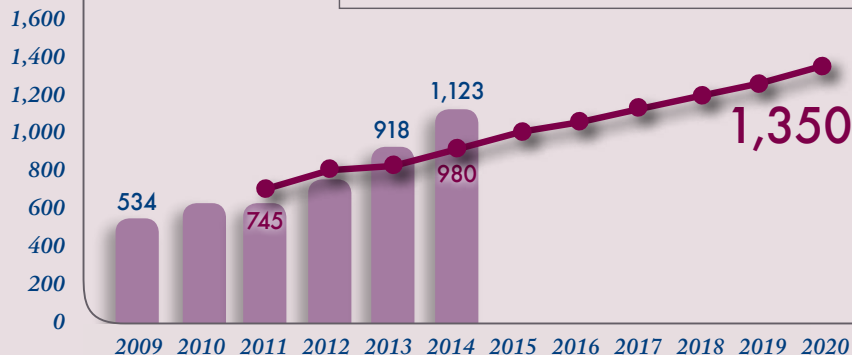
ENTERPRISE METRIC 21

Number of Degrees Awarded in High-Demand Fields



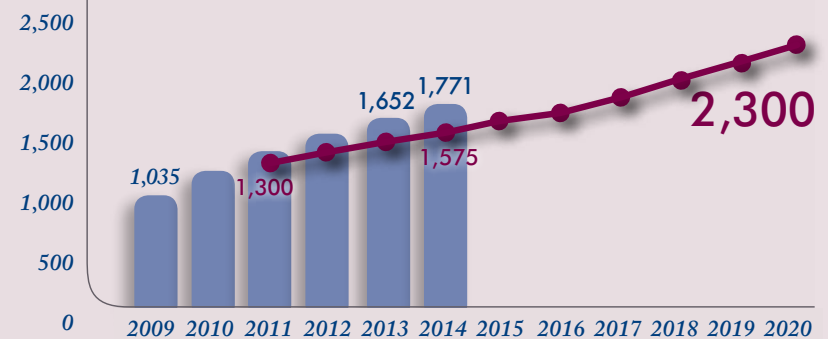
ENTERPRISE METRIC 29

Online Degrees



ENTERPRISE METRIC 4

Number of Arizona Community College Transfer Students Awarded Bachelor's Degrees



● Projected

Phoenix Biomedical Campus



Arizona public universities working together to share faculty, facilities, technology, and supplies to increase high quality, affordable healthcare education.

Projected Enrollment Growth – Total Headcount

Fiscal Years	2013	2014	2015	2016	2017	2018	2019
PHYSICIAN ASSISTANT	25	49	73	100	100	100	100
PHYSICAL THERAPY	24	51	86	106	116	120	120
OCCUPATIONAL THERAPY			25	54	99	120	135
TOTAL	49	100	184	260	315	340	355

Master's Degree in Physician Assistant Studies and Doctor of Physical Therapy Degree started in Fall 2012.

Internal Collaboration for Student Success

- ▶ Academic Affairs, Extended Campuses, EMSA all partner on Enrollment Management Committee
- ▶ Academic Affairs (University College), EMSA partner on retention initiatives



We Are Affordable & Accessible

► Pledge guarantee

4-year tuition guarantee,
predictable & affordable

► Community college partnerships

2NAU

Summer research programs

Concurrent enrollment and
90-30 programs

► Transfer tools

Jacks Planner

Expansion of academic
pathways

Academic Transfer Plan

1 Earn an Associate Degree at Arizona Western College
Make smart choices at AWC to get a head start on your NAU degree!
Select courses from the list below to ensure a smooth transition to NAU.

Liberal Studies (35)

We recommend completing the AQEC-A at AWC -- this is the fastest way to fulfill your NAU Liberal Studies requirement when you arrive at NAU. [Other options](#)

English Composition (6)

EW101 Freshman Composition 3 & EW102 Freshman Composition 3

Mathematics

MT144 College Mathematics with Applications 3

Physical & Biological Sciences (8)

Select a 4-credit Science course

Humanities (3/2)

HUM101 Human Ethics 3

ARH101 Art History: Prehistory-Renaissance 3

Select any row below to customize your transfer plan.
☐ Also show non-recommended courses.

Astronomy

AST100 Astronomy 4

AST100 The Planets 4 ★

Biology

BIO100 Biology Concepts 4

BIO100 Plants and People 4

BIO100 Natural History of the Southwest 4 ★

BIO100 Marine Biology 4

BIO100 Intro to Anatomy and Physiology 4

BIO100 General Biology (Majors) I 4

BIO100 General Biology (Majors) II 4

★ Show only Favored Courses

Strategies: Extended Campuses

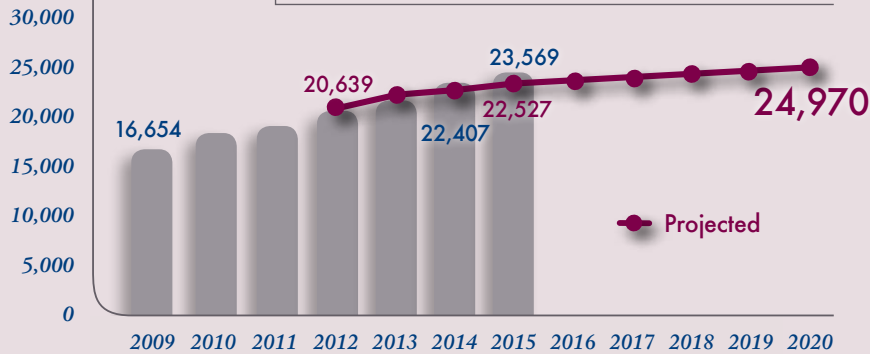
- ▶ Addressing Arizona's workforce needs
- ▶ Student recruitment strategies
- ▶ NAU-Yuma branch campus
- ▶ NAU-Yavapai regional campus
- ▶ Personalized Learning



Moving Forward

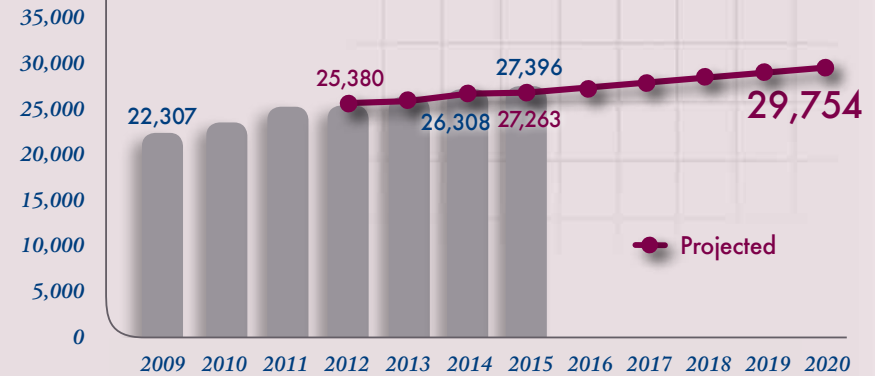
ENTERPRISE METRIC 9

Undergraduate Enrollment

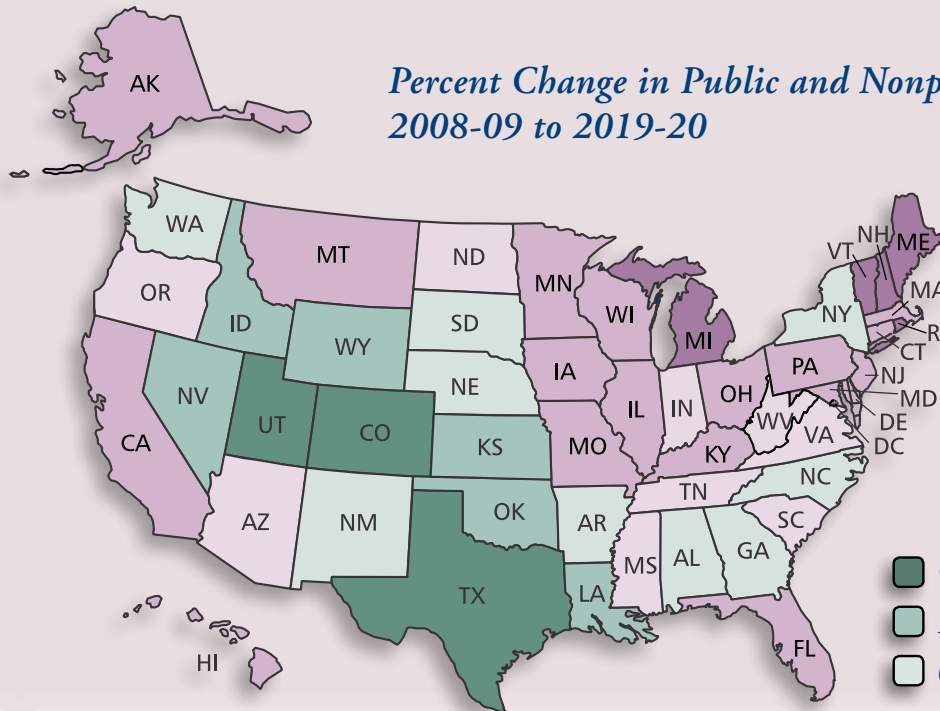


ENTERPRISE METRIC 10

Total Enrollment



Percent Change in Public and Nonpublic High School Graduates, by State, 2008-09 to 2019-20



Top 5 States

Arizona

California

Colorado

Nevada

Washington

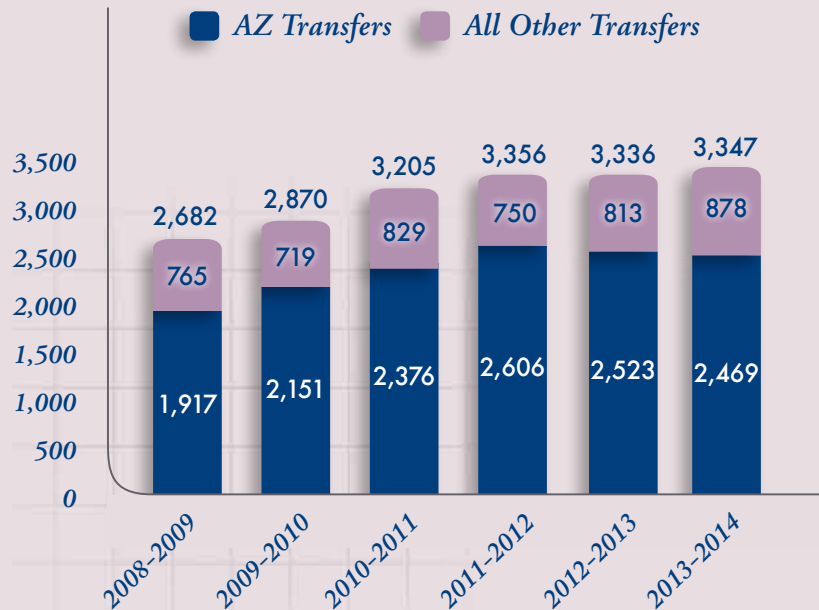
Maricopa 11,112

Pima 2,177

Coconino 1,553

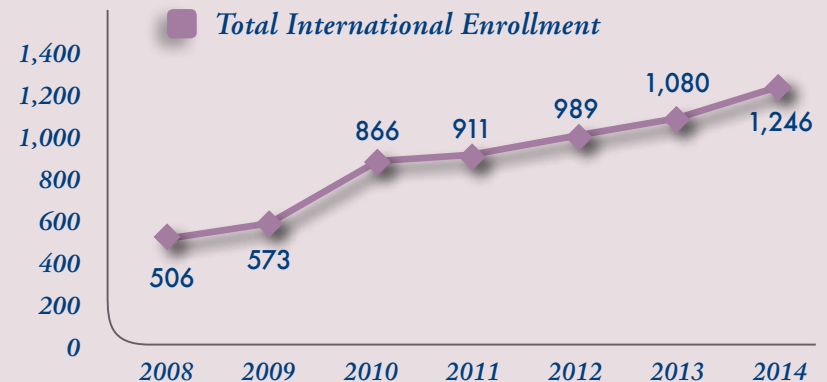
Transfer Students

- ▶ Dedicated transfer recruitment team
- ▶ Expanded relationships with community colleges and 2NAU programs
- ▶ Improved transfer tools and pathways
- ▶ Financial aid strategies for transfer students



International Students

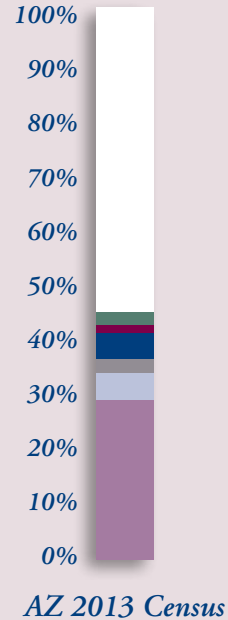
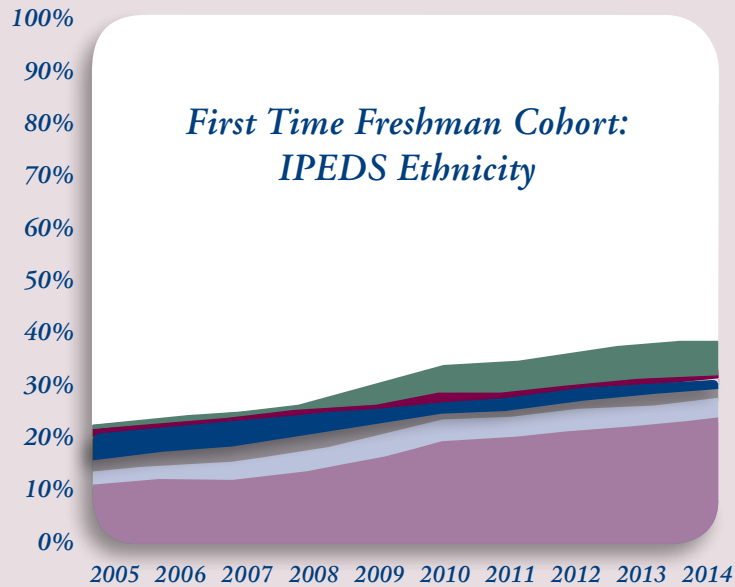
- ▶ 72 countries
- ▶ Work to strengthen the academic infrastructure for international students
- ▶ Develop and nurture strategic relationships with universities and organizations based overseas
- ▶ Construction of International Pavilion facility



Top 5 Countries

China
Saudi Arabia
Kuwait
Brazil
Germany

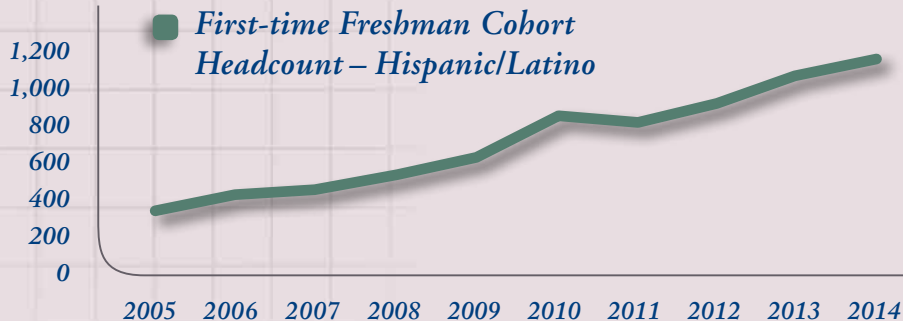
NAU Reflects Arizona's Diversity



Students from 107 Tribes

Top 5 Tribal Affiliations

- Navajo Tribe
- Cherokee Nation, OK
- Hopi Tribe
- Choctaw Tribe of Oklahoma
- Pascua Yaqui Tribe





Commitment to Veterans

A large group of students, approximately 25 in total, are seated on a series of wide, light-colored concrete steps. They are dressed in casual attire, including hoodies, t-shirts, and jeans. The students are looking towards a man standing on the right side of the frame. The man is wearing a blue long-sleeved shirt and dark pants, and he is holding a white sheet of paper. Behind the students is a modern building with a facade of large glass panels held together by dark metal frames. The glass reflects the sky, clouds, and surrounding trees. The scene is set outdoors on a sunny day, with a patch of green grass visible in the bottom left corner.

Q&A



Research Excellence

Strategic Research Strengths

- ▶ Microbiology and bioengineering
- ▶ Health sciences
- ▶ Environmental sciences and sustainability
- ▶ Forest restoration and landscape conservation
- ▶ Astronomy
- ▶ Informatics and big data analytics

Addressing Issues Important to Arizonans

1. Infectious diseases
2. Native American health
3. Forest restoration
4. Land management



Native American Health and Infectious Diseases

Partnership for Native American Cancer Prevention

- ▶ NIH-funded, directed by Laura Huenneke
- ▶ Collaboration with UA
- ▶ In operation for 12 years
- ▶ \$15+ million to NAU in support of research with and for Native Americans

The Center for Microbial Genetics and Genomics

- ▶ Directed by Regents Professor Paul Keim (joint appointment with TGen)
- ▶ \$60+ million in external funding since 2002
- ▶ 400+ students, staff, and research scientists
- ▶ Research on MRSA, c-dif, valley fever, CRE (kleb) and others



Forest Restoration & Land Management

The Ecological Restoration Institute

- ▶ Since 2002, \$35 million in external funding
- ▶ 300+ students; 200+ partners

The Landscape Conservation Initiative

- ▶ Effective rangeland management directed by Tom Sisk
- ▶ Diablo Trust

“The science has strengthened our collaborative process, and by co-hosting dozens of NAU classes and interns, we’ve worked together to train the next generation of land stewards.”

—JUDY PROSSER, BAR T BAR RANCH

“NAU’s longstanding relationship with the Diablo Trust provides for a working laboratory where significant natural resource matters are examined and addressed.”

—MANDY METZGER, FLYING M RANCH



Partnerships Generating Impact

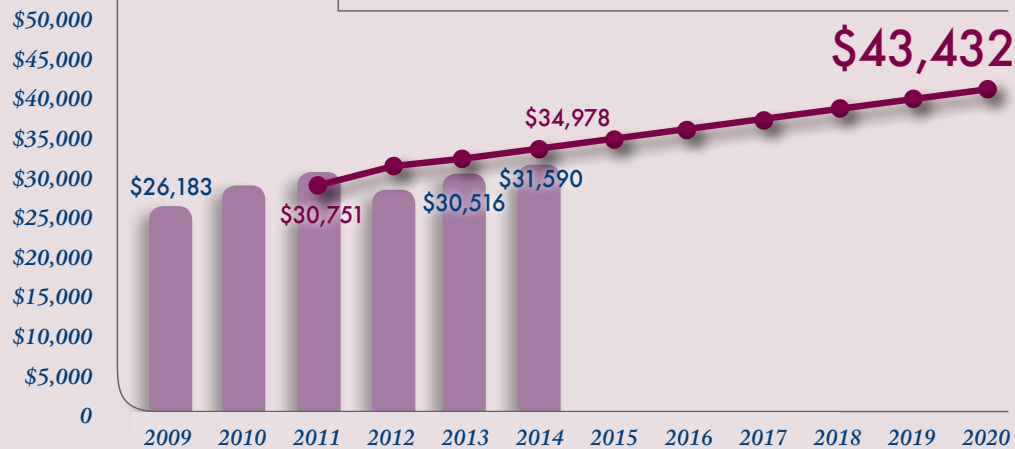
- ▶ TGen North/TGen
- ▶ Northern Arizona Healthcare – THRIVE
- ▶ Diablo Trust
- ▶ Babbitt Ranch
- ▶ Lowell Observatory
- ▶ Discovery Channel Telescope
- ▶ Naval Observatory
- ▶ U.S. Geological Survey
- ▶ U.S. Forest Service
- ▶ National Park Service
- ▶ Science Foundation Arizona
- ▶ Northern Arizona Center for Entrepreneurship
- ▶ ASU and UA



Research Expenditures

ENTERPRISE METRIC 13

Research & Development Expenditures (in \$1,000s)



2014 Highlights

- ▶ Federal government: \$17 million
- ▶ State & local government: \$6 million
- ▶ Institutional funds: \$6 million
- ▶ Industry: \$850,000
- ▶ Non-profits: \$1 million
- ▶ Other: \$1 million



Technology Transfer

2014 Metrics

- ▶ Invention disclosures: 24
- ▶ U.S. patents issued: 3
- ▶ IP income: \$32,000
- ▶ Start-up companies: 1

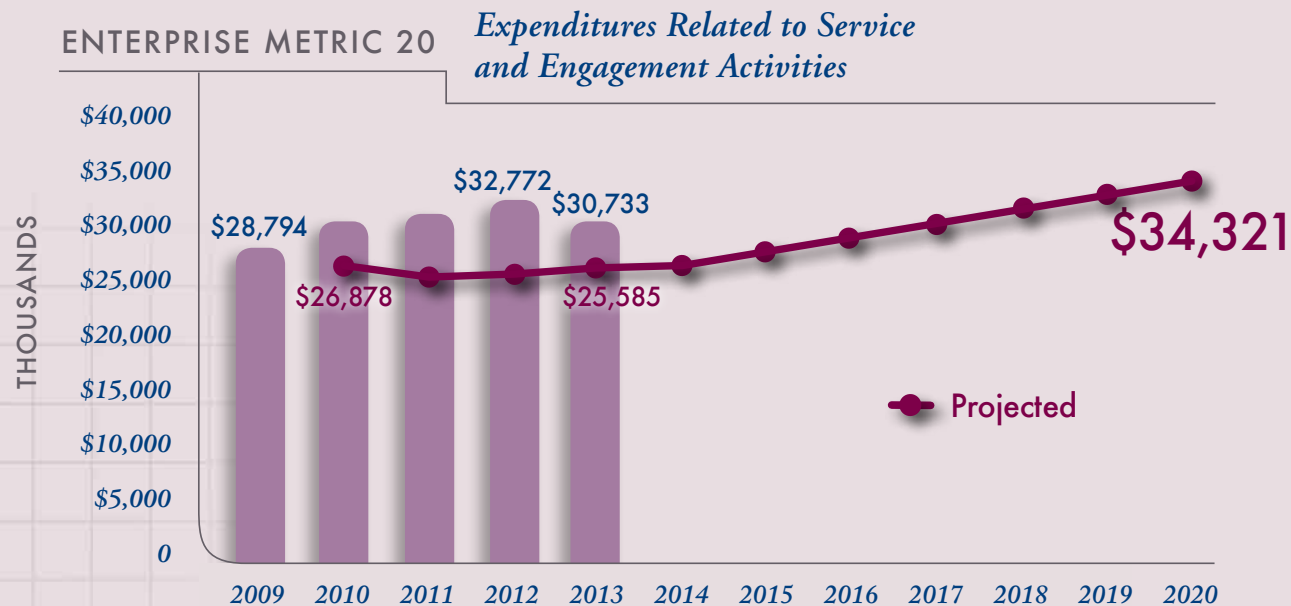


Public Service

- ▶ Institute for Tribal Environmental Professionals
- ▶ Civic Service Institute
- ▶ GEAR UP
- ▶ Institute for Human Development

▶ Other

Native American Cultural Center/Tribal Leadership
NAU Earn to Learn: Assets for Independence
Northern AZ Consortium of History Teachers
Family Violence Institute



Building Future Research Capacity

- ▶ Bioengineering research
- ▶ Ecosystem science
- ▶ Health and healthcare research
- ▶ High performance computing and “big data” research

Strategic recruiting



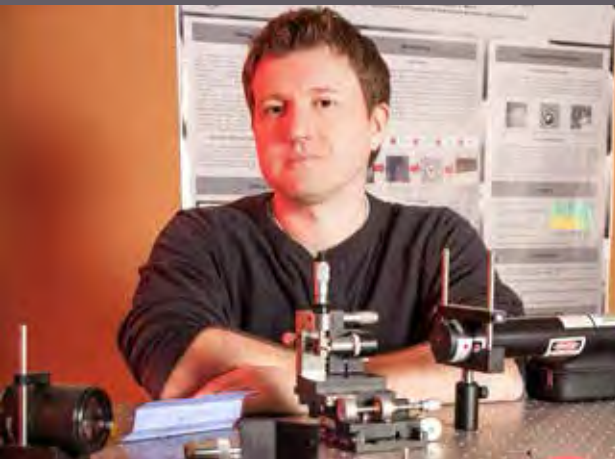
Building Future Research Capacity

New Center for Bioengineering Innovation

- ▶ \$1 million W. M. Keck Foundation award
- ▶ Translating research on muscle contraction to improve prosthetic devices

New Center for Ecosystem Science and Society (ECOSS)

- ▶ From microbial systems to whole Earth systems
- ▶ \$1.3 million in new external funding



Building Future Research Capacity



Translational Health Research Initiative (THRIVE)

- ▶ Partnership with Northern Arizona Healthcare
- ▶ \$400,000 Flinn Foundation grants for personalized translational medicine

Informatics and Computing Program (ICP)

- ▶ “Big data” research
- ▶ Research-intensive academic unit in CEFNS
- ▶ Integrate big data analytics into interdisciplinary research focused on improving patient outcomes

Q&A





Financial Planning

Planning Culture



Office of the Governor
Office of Strategic
Planning and Budgeting

Joint Legislative
Budget Committee

Arizona Board
of Regents

Vision 2020

NAU Leadership
• President
• Cabinet
• Strategic Planning
and Budget Council

*Master Plan
Every 5 Years*

*Strategic Plan
Every 2-3 Years*

*Performance
Evaluation
Every Year*

*Macro Budget
Every Year*

*Strategic
Priorities
Every Year*

*Divisional Plans
Every Year*

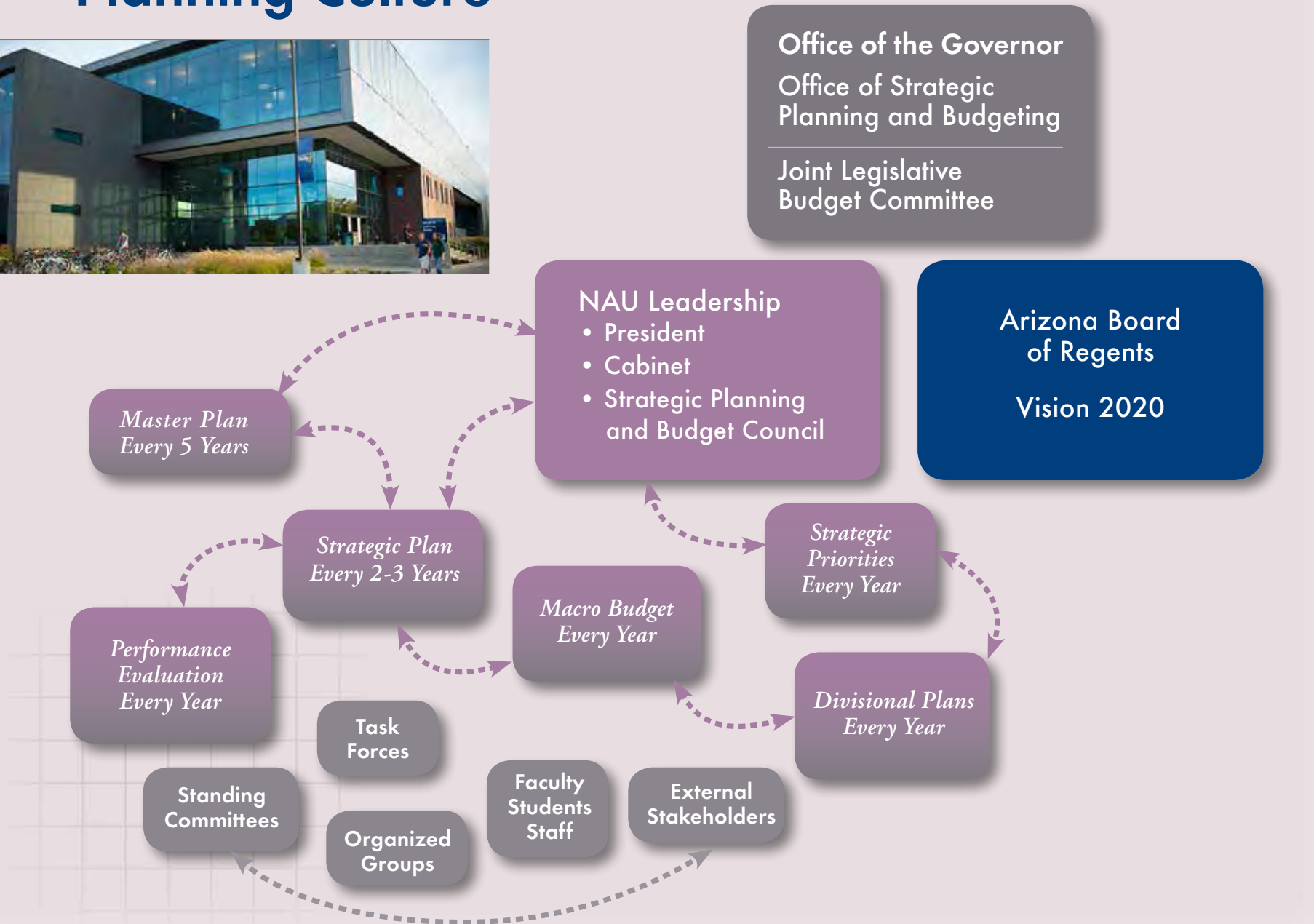
Task
Forces

Standing
Committees

Organized
Groups

Faculty
Students
Staff

External
Stakeholders

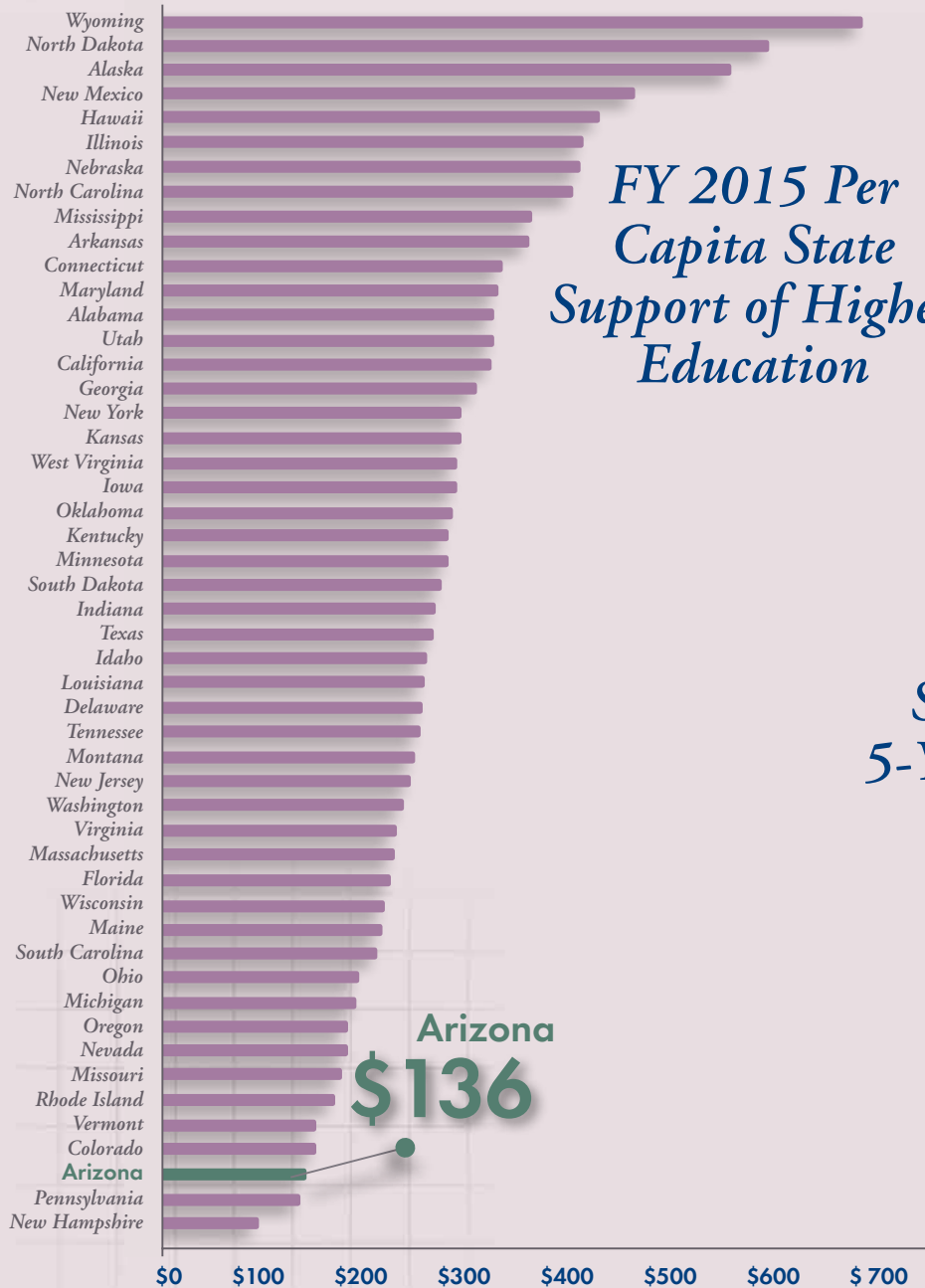


Financial Highlights FY 2014

- ▶ **Total assets: \$1.1 billion**
Net assets: +\$4 million
- ▶ **Total revenue sources: \$490.3 million**
- ▶ **Total expenses: \$486 million**
- ▶ **Monthly days cash on hand: 132 Days**
- ▶ **The FY14 debt ratio: 5.7% (without SPEED),
6.9% (with SPEED)**
Maximum allowed is 8%
- ▶ **Debt capacity is \$180 million**
Debt Capacity estimated at June 30, 2015: \$190 million

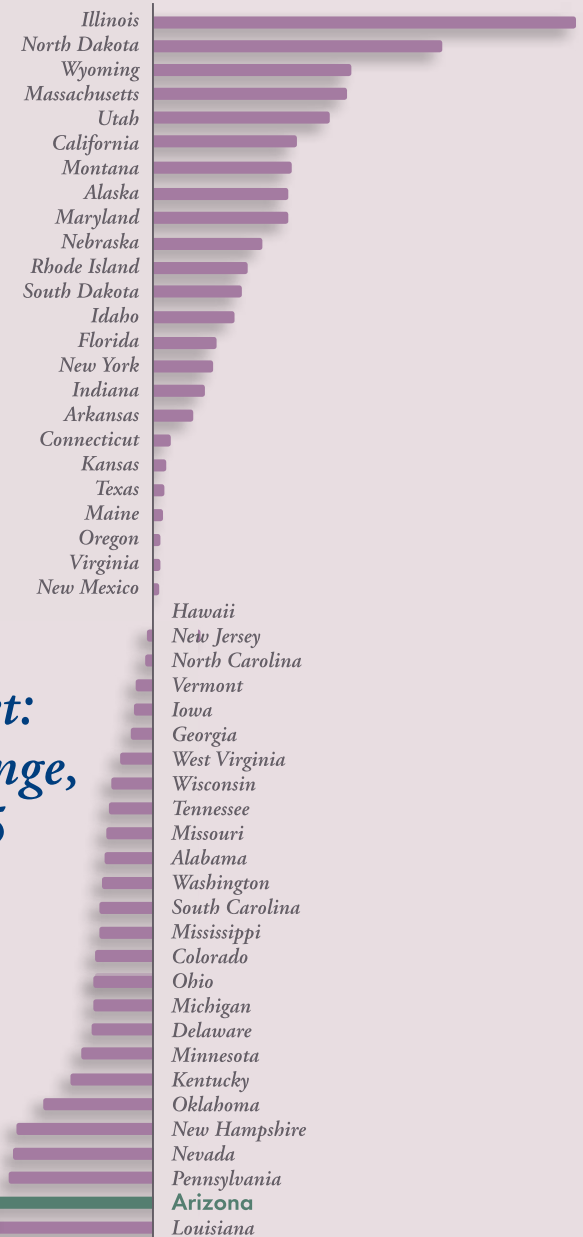


FY 2015 Per Capita State Support of Higher Education



State Support: 5-Year % Change, FY10-FY15

Arizona
-21%

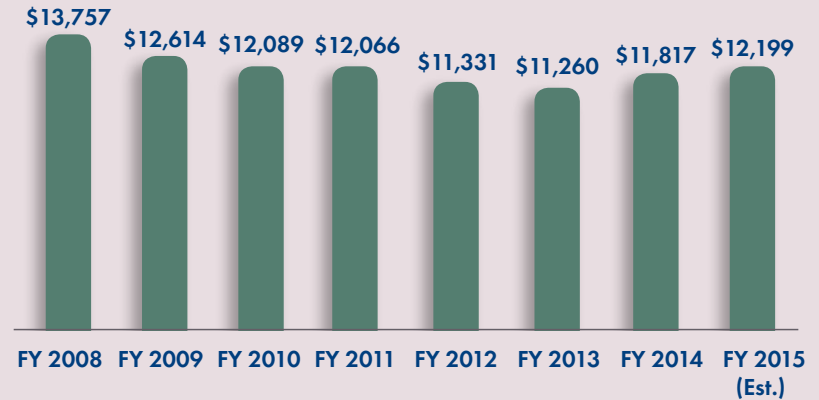


Net Tuition/Fee and State Appropriation Revenue

INFLATION ADJUSTED GENERAL FUND PER FTE



GENERAL FUND AND NET TUITION PER FTE

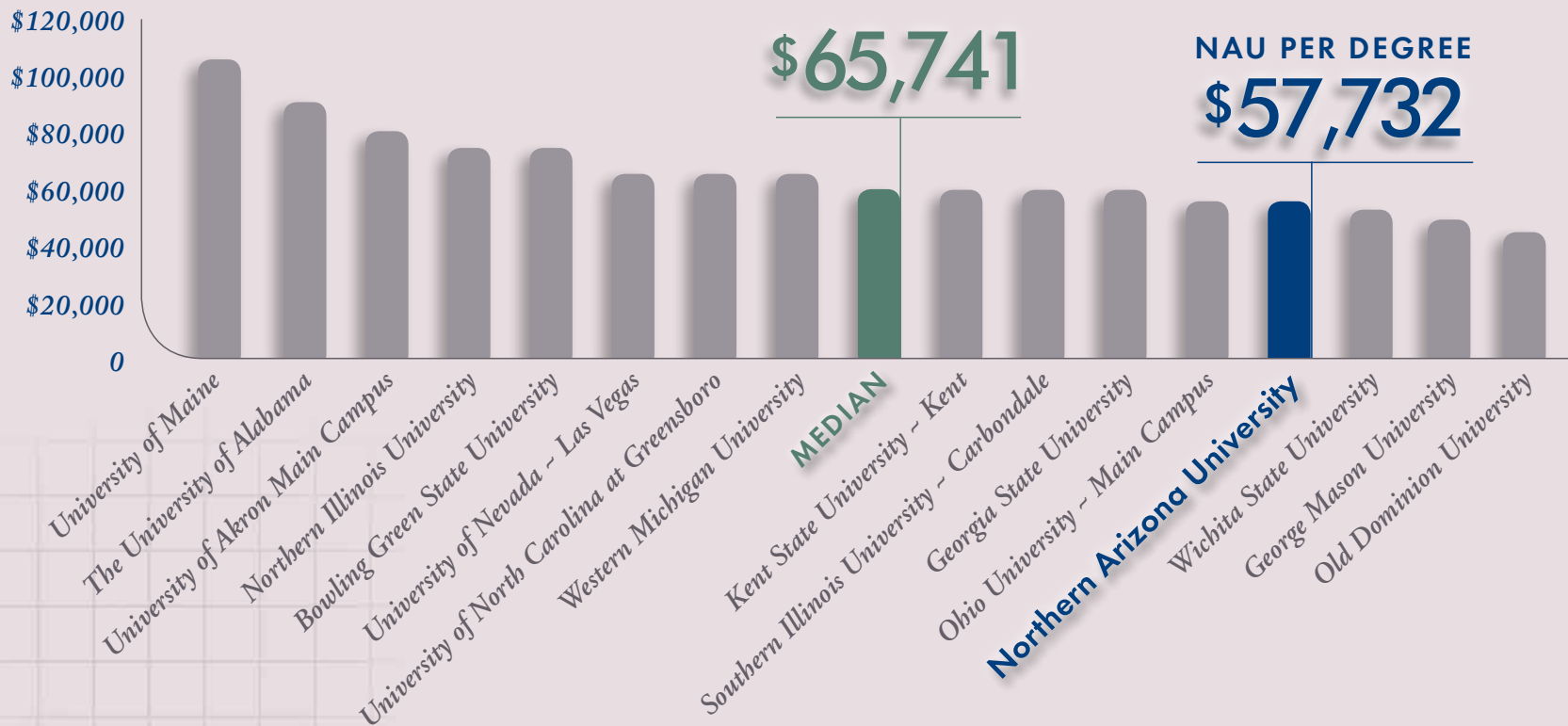


Educational and General Expenses per FTE Enrollment



Tuition, Fee, and State Appropriations per Degree Awarded

ABOR Peers – IPEDS FY 2013



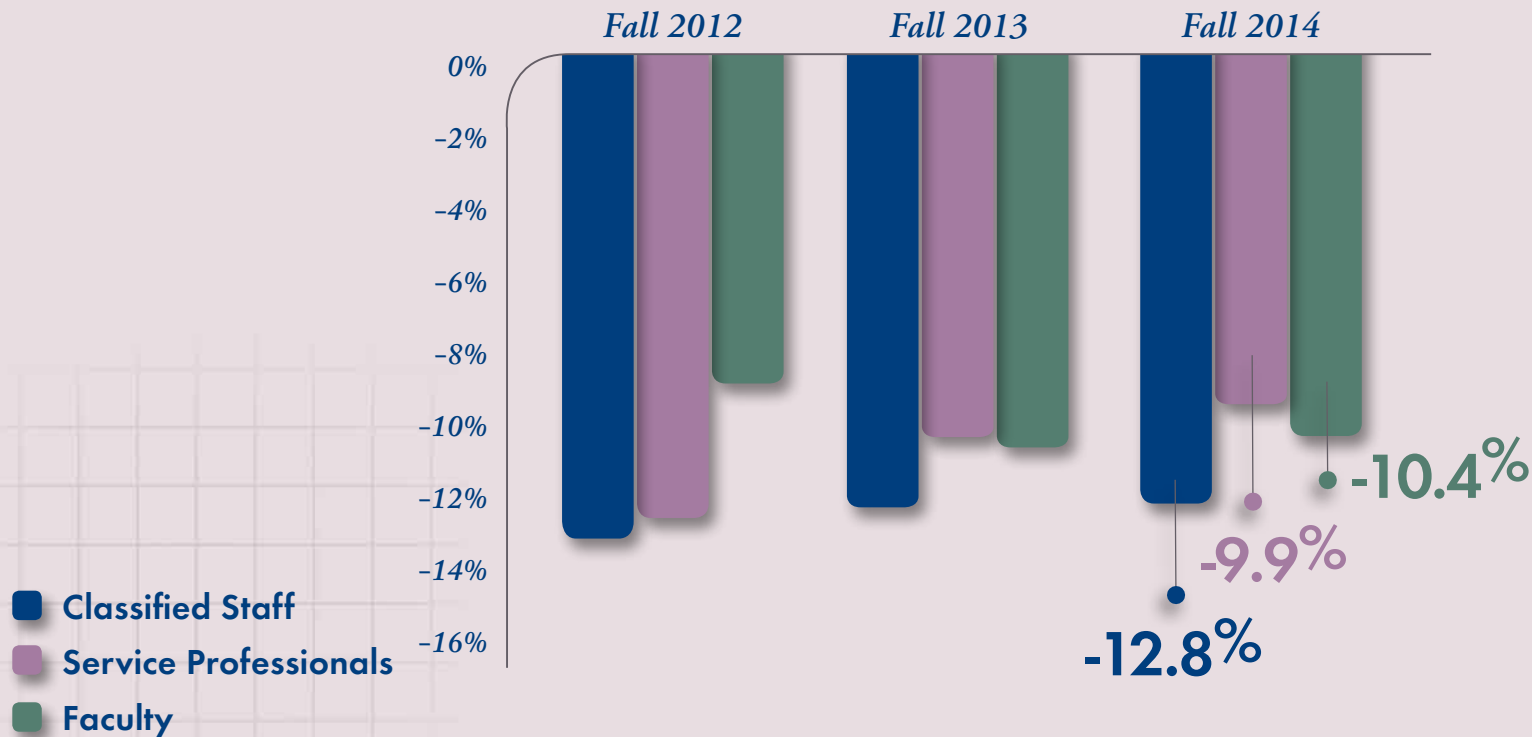
Investments

Personnel

Over 60% of university expenditures

Average salaries from market median

\$29.2 million to reach market

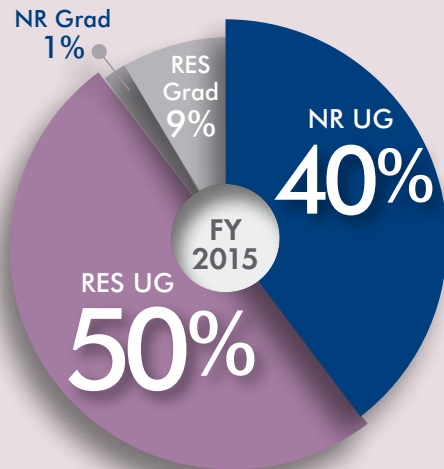


Tuition Differentiation

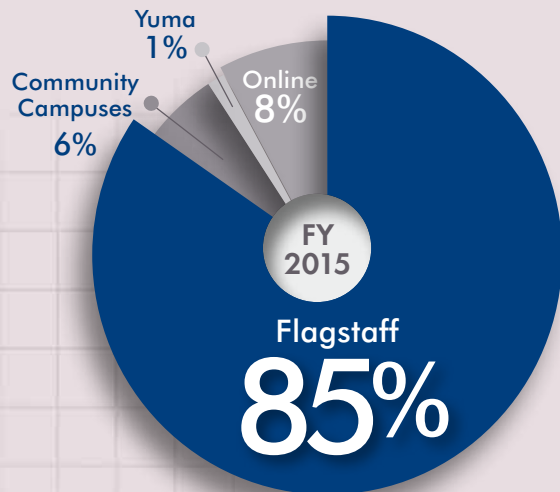
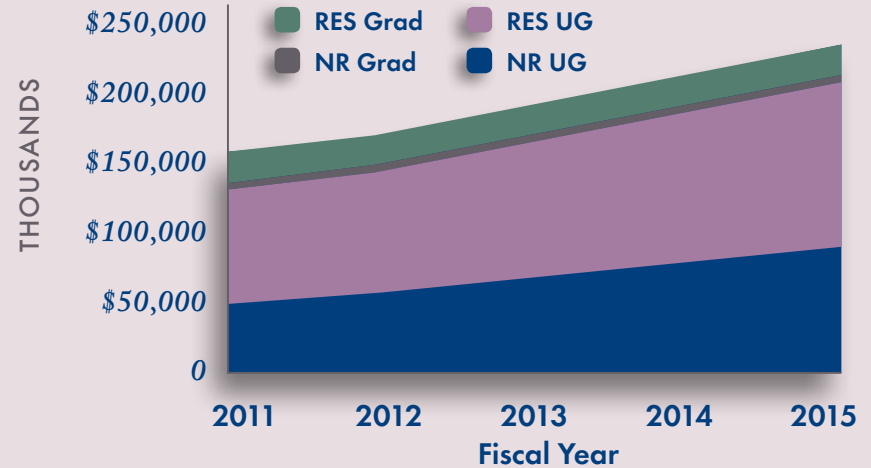
<i>Resident Tuition + Fees Starting Fall 2014</i>		
UNDERGRADUATE	Flagstaff Pledge	\$9,989
	Extended Campuses	\$7,032
	Yavapai	\$5,345
	Yuma	\$6,902
	Personalized Learning	\$5,000
GRADUATE	Flagstaff	\$9,165
	Extended Campuses	\$8,554
	Yuma	\$8,554

Percent of all undergraduates on Pledge = 75%

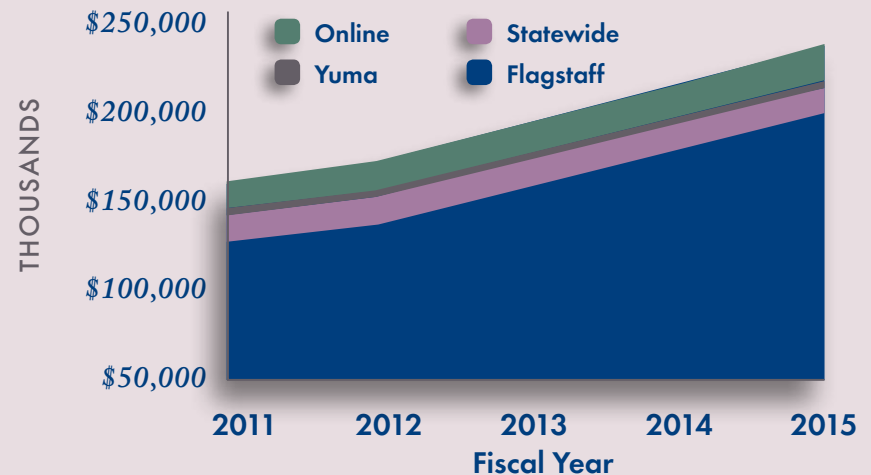
Flagstaff Enrollment Driving Tuition Revenue



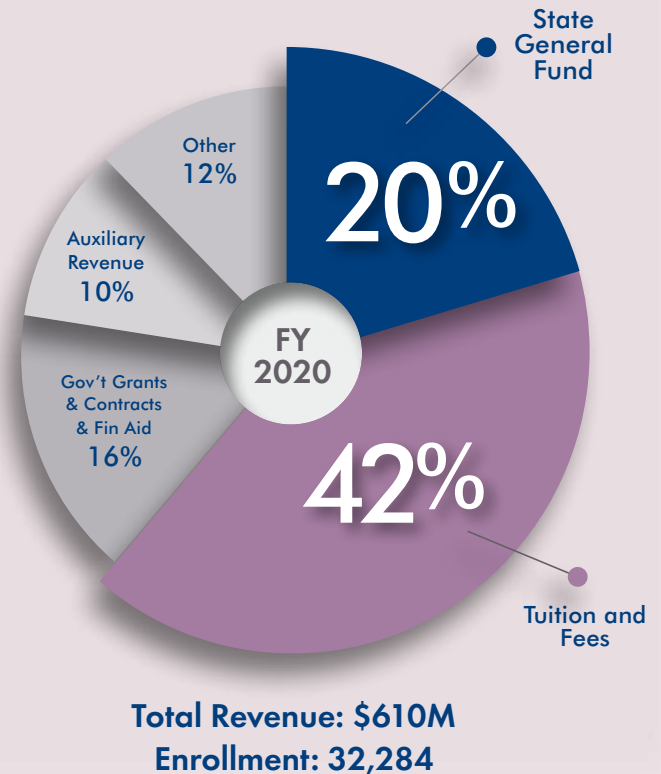
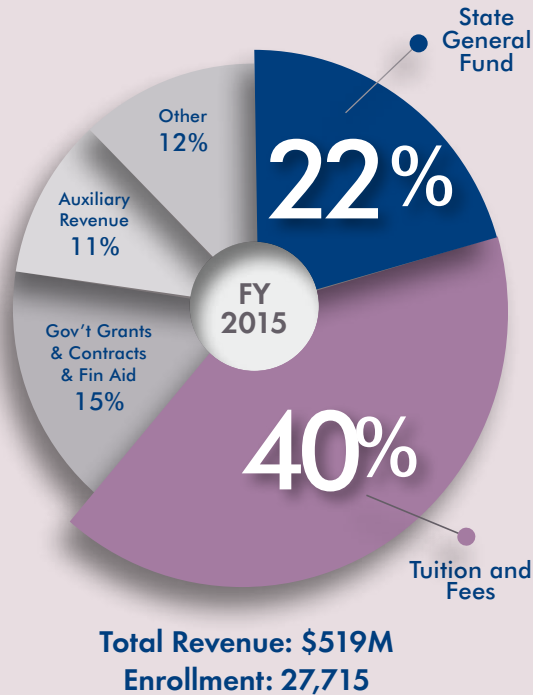
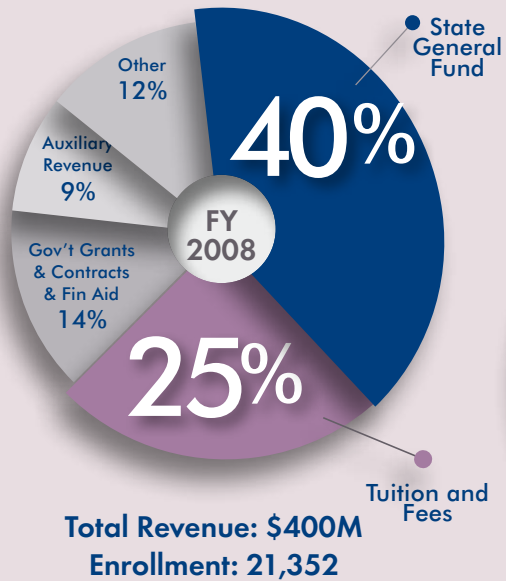
FY 2015 Est. Tuition Revenue by Residency by Academic Level



FY 2015 Est. Tuition Revenue by Campus



Projected Revenue Sources



Budget Planning Scenarios for 2020 Goals

Assumptions

- ▶ Enrollment growth:
Growth to 32,284
- ▶ Tuition rates:
Commitment to Pledge
Maintaining tuition differentiation
- ▶ State appropriation:
Performance funding FY17 to FY20
- ▶ Personalized Learning growth
\$9 million in FY20
- ▶ Continued investments in personnel, technology, programs and facilities
- ▶ Continued focus on efficiencies

Outcomes

- ▶ Net position in FY20: + \$5 million
Total revenue: \$610 million
Total expenditures: \$605 million
- ▶ Debt service:
4.5% of expenditures
- ▶ Days cash on hand
Target 120-130 Days

**UNDER
REVISION**



Projected Debt Service

- ▶ Credit Ratings:
 - A1 (Moody's)
 - A+ (S&P)
- ▶ Stable outlook
- ▶ Debt Ratio:
 - 5.7% (without SPEED)
 - 6.9% (with SPEED)
 - 8% cap

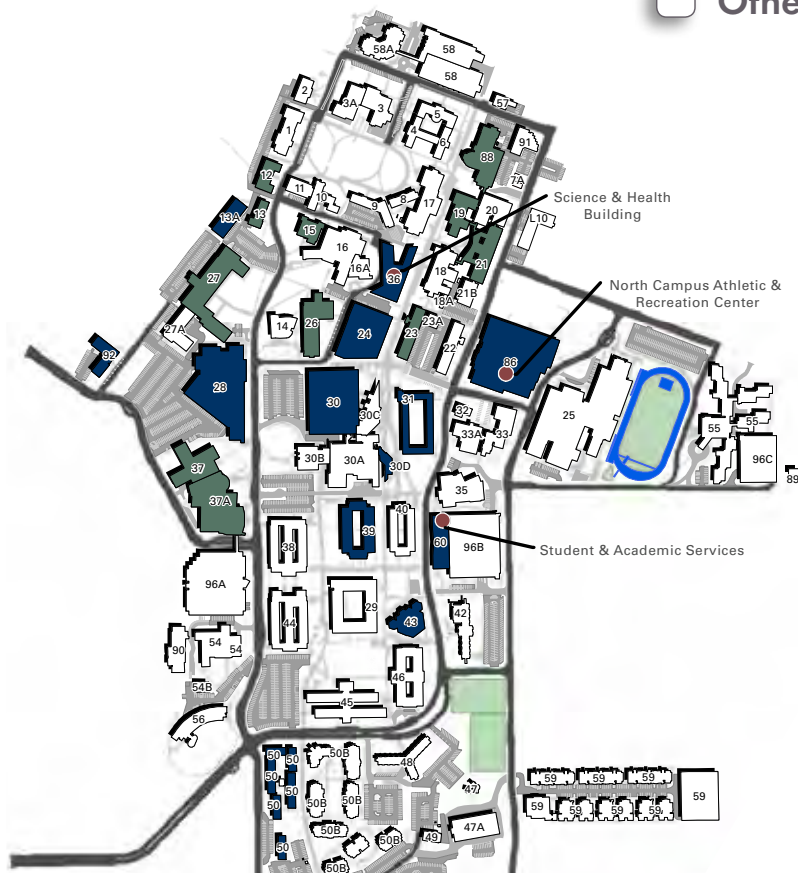
Projected Debt Service

Fiscal Year	Debt Capacity Projection (Without SPEED)
2015	\$190,000,000
2016	\$215,000,000
2020	\$340,000,000

Facilities

- Under Construction
- New Construction & Renovation
- Deferred Maintenance
- Other NAU Facilities

NORTH CAMPUS



SOUTH CAMPUS



Meeting Space Needs



● North Campus Athletics and Recreation Complex

● Science and Health

● Student and Academic Support Building



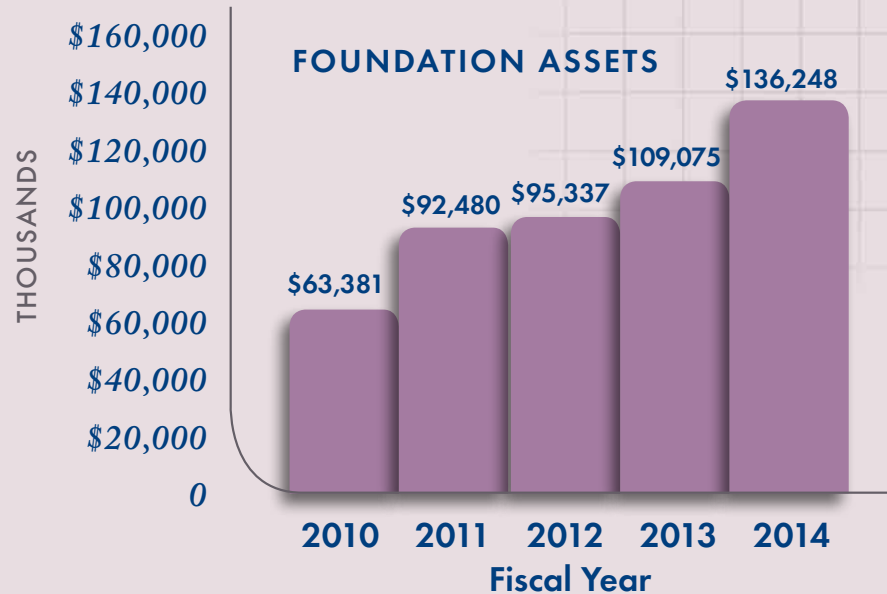
Future needs: Research Infrastructure Phase II

NAU Foundation



"Only at NAU" Campaign

- ▶ Started in 2009
- ▶ Public phase began in 2013
- ▶ At \$83 million with target of \$100 million



	ANNUALIZED RATE OF RETURN	
	5-year	Since Inception
NAU Foundation	15.2%	7.9%
Moderate Growth Composite Index	13.6%	8.0%

A young woman with long brown hair and glasses is shown in profile, playing a violin. She is wearing a dark blue t-shirt. In the background, a male student is playing a double bass. The setting appears to be a music room or rehearsal space. The text "Q&A" is overlaid in the top right corner.

Q&A

Our Partners

- ▶ John Coe, Principal, Marshall Elementary Magnet School
- ▶ Leah Bornstein, President, Coconino Community College
- ▶ Jeffrey Hall, Director, Lowell Observatory
- ▶ David Engelthaler, Director of Programs, TGen North



2020 Goals

