



Possibility in Every Direction

September 2016

**NORTHERN
ARIZONA
UNIVERSITY**



INTRODUCTION

Northern Arizona University has a rich history of providing accessible and affordable quality higher education experiences to students. The commitment to the student experience is a foundational strength of the university and has served as a driving force throughout our progression.

We remain deeply rooted in our traditions, while seeking solutions to today's challenges with integrity, innovation, inclusion, and compassion. Our exceptional degree programs, dynamic research, public service, and creative endeavors enrich communities, drive opportunity, and change lives.

We face an ambitious agenda with an expected undergraduate enrollment growth rate of 25 percent, to reach nearly 36,000 students, by 2025. This emphasizes NAU's commitment to access to high-quality education and is evident in the many modalities in which we will accomplish this goal. As student enrollment grows, so does our commitment to investing in an infrastructure that expands programs and partnerships, leverages talent and resources, and moves the needle on the dial of knowledge to improve lives in the communities we serve—and throughout the world.

This plan provides information on the university's direction for the next three to five years and sets the initial agenda for us to meet our dynamic ten-year goals. Success will take agility and constant attention to ensure decisions align with strategic initiatives in this age of change. We will remain vigilant in our approach to changes in student markets, workforce development, the economy, and, of course, competition within and throughout higher education. The investments made today are intended to provide strong returns that will foster future growth and impact on the university and surrounding region.

As we look to the future, we will maintain our focus on relationships and employ best practices combined with emerging technologies. We will reshape the higher education landscape by delivering innovative education opportunities. After all, that is what makes NAU unique. We are coming of age at a critical time in the history of higher education in this country, and we will continue to invest in NAU's mission of excellence.



Rita Hartung Cheng
President

OVERVIEW

MISSION

Our academic programs, research, public service, and creative endeavors enrich lives and create opportunities in Arizona and beyond. We develop solutions to challenges and drive innovation in a supportive, inclusive, and diverse environment.

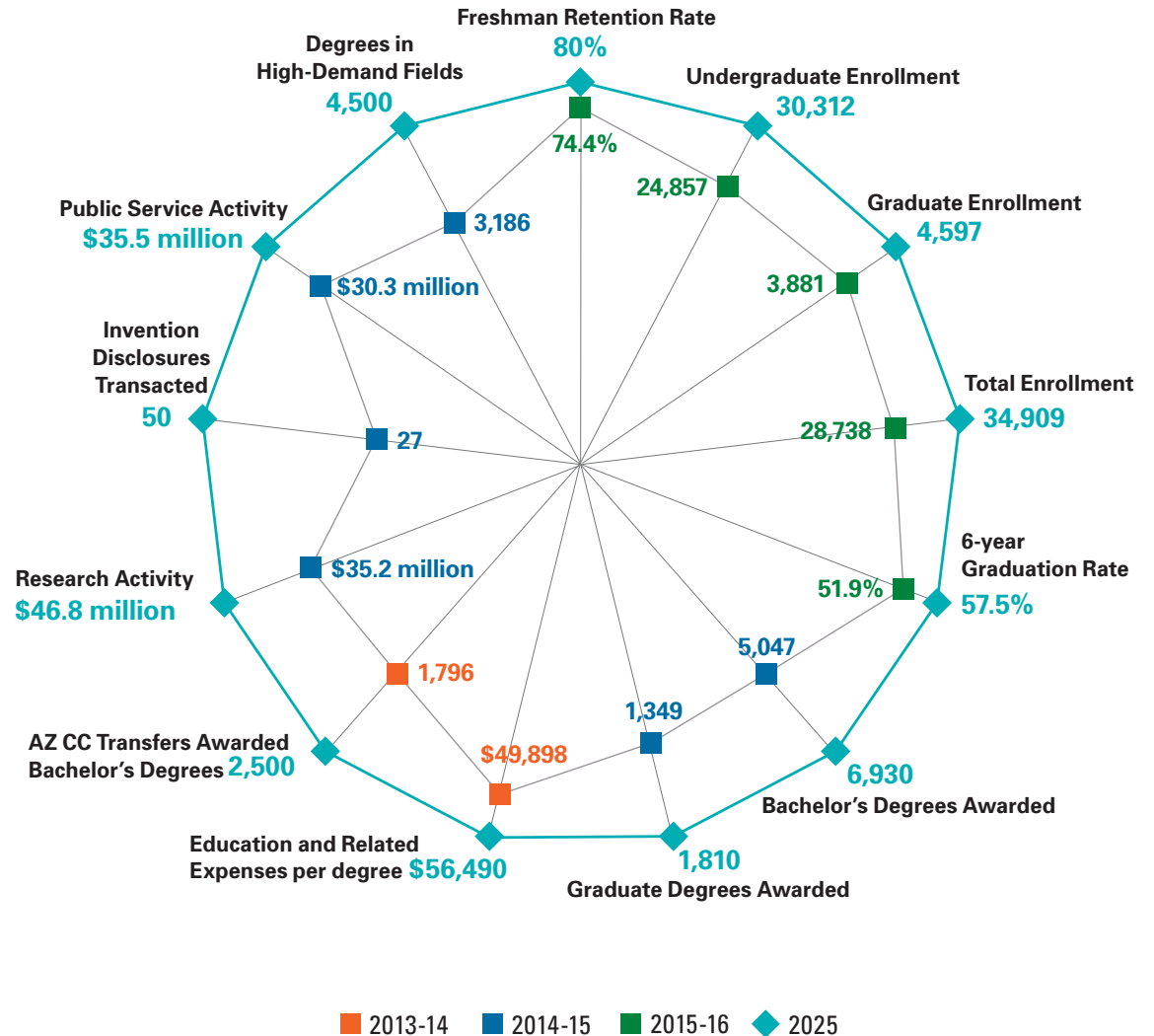
VISION

Rigorous programs and pioneering research that has substantial community impact provide the foundation for transformational student opportunities. We prepare graduates to excel in creating a sustainable future, nationally and globally.

STRATEGIC GOALS

- 1. Student Success:** Promote high levels of student access, engagement, achievement, and affordability.
- 2. Nationally Recognized Research Excellence:** Expand the boundaries of knowledge to improve lives.
- 3. Global Engagement:** Advance the internationalization of the university to prepare students for global citizenship.
- 4. Diversity, Civic Engagement, Community Building:** Promote issues of diversity, civility, democracy, citizenship, and community engagement and collaboration.
- 5. Commitment to Native Americans:** Become one of the nation's leading universities serving Native Americans.
- 6. Sustainability and Effectiveness:** Exemplify a sustainable, innovative, and effective university community.

NAU GOALS



A NEW VANTAGE POINT

1. STUDENT SUCCESS

Student success has always been at the very core of the institutional mission at NAU. The university is committed to stronger teaching, mentoring, and curricular design across departments and faculty ranks. Significant investments have been made recently in the infrastructure and resources to further improve our efforts and to better position NAU to achieve the goals related to increased access to educational opportunities that lead to degree completion outlined in discussions with the Arizona Board of Regents.

Increase student enrollment from 28,728 in FY16 to 32,171 in FY20 for all campus locations and online.

The past two years in particular have seen a number of changes that include unifying advising, investing in strategic technology resources like Civitas and Salesforce, adopting new and innovative academic programs, and furthering the build-out of Peer Tutoring programs, and organizations to support and engage students. Through the proactive approaches inherent in these strategies, we expect to identify and address issues that an increasingly diversified student population faces on the path to success. Seeing increasing levels in student engagement regardless of campus or demographic background will be important early indicators in these efforts.

The focus on student success starts with the recruitment cycle. Developing and executing an aggressive, and highly targeted, outreach and communications plan will raise awareness of the NAU experience throughout Arizona. We will implement this with cohesive, on-the-ground

recruiting strategies deployed by Enrollment Management, Students Services, and Extended Campuses.

NAU serves a high percentage of first-generation students. Currently, 46 percent of all incoming students are the first in their family to pursue a degree. To better serve this unique student population, the university has created a support structure to help these students succeed. This support includes the First Year Learning Initiative, the First Scholars program, supported by the Suder Foundation, and the establishment of the Office of First Generation Initiatives. These initiatives provide a breadth and depth of advising, mentoring, academic, social, and community support services to ensure this population of students, new to the university experience, succeeds in higher education.

The recent reorganization of University College and the centralization of advising is now complete. This effort involved Academic Affairs, Student Affairs, Extended Campuses, Institutional Research, Information Technology, and Athletics. Representatives from these areas also collaborated to develop an institutional-level student retention plan that will promote student learning, engagement, and persistence. Targeted and specific action plans are being implemented in stages beginning in fall of 2016 and will evolve over the course of the next couple of years, measuring the retention of various cohorts to evaluate progress and success.

The 2016 – 2019 Retention Plan includes enhanced first-year classes and co-curricular experiences, enhanced instructor support, delivery of one-stop shop services to online students, enhanced advising, expanded use of technology and analytics, and more...

In addition to unifying advising efforts, the university recently made targeted investments in technology solutions that will enable us to better track and manage student success. NAU has partnered with Salesforce to employ more targeted outreach and communications. Salesforce provides a single record of all communications with students. We have consolidated significant resources our teams across the university can use to respond to the most frequent questions from students and families and to provide immediate access to additional resources they may find helpful. This investment will allow us to provide consistent advice, no matter who the point of contact is for the student. Salesforce is currently being implemented within our Enrollment Management and Student Affairs Division. Other units will be launched over the next two years and will include Extended Campuses, the Graduate School, the Center for International Education, Marketing and Strategic Communications, and Academic Affairs.

The recent implementation of Civitas incorporates static data and predictive analytics to better monitor student progress and execute intervention strategies that are highly targeted to the student's needs. The initial Civitas module, Illume, the first of two analytics tools from Civitas to be implemented this year, went "live" in August 2016. Groups within Enrollment Management and Student Affairs have begun to utilize the tool to uncover insights about our students' pathways to success; such insights will be used to guide policy and practice to enhance student success. Following further data validation and the refinement of a use plan for academic advisors and Student Affairs mentors, the second Civitas tool, Inspire for Advisor, will be piloted late in fall 2016. Coordinating the use of Inspire for Advisor with Salesforce functionality is a major component of NAU's student success initiative and a focus for planning this fall. Full implementation

of Civitas is expected to occur over the course of FY17 and will enable NAU to better analyze results and outcomes.

Studies have shown that an engaged student is a successful student. At NAU, we know this and offer more than 300 clubs and organizations to enhance the college experience outside the classroom and complement the student's learning experience inside the classroom. We place great pride on our athletics and performance programs, which bring students, families, and the community together. We also take pride in the history and availability of peer mentoring and supplemental instruction programs that are focused on success in the classroom.

We are engaged in outreach and communications efforts to expand awareness and inclusion in these activities and expect to further refine our targeted communication in conjunction with the use of Civitas and Salesforce to identify the programs that will be most impactful to a student's success.

Evidence based practices and assessment has long been at the foundation of NAU's student success initiatives, and these recent efforts and investments represent the next step in our efforts to increase retention and graduation rates.

Increase freshman retention rate from 75% in FY16 to 77.2% in FY19 and 80% in FY25.

The university has long been challenged by ad-hoc transfer practices and is taking aggressive action to streamline that process. Representatives from Enrollment Management and Student Affairs, Extended Campuses, Marketing and Strategic Communications, and Academic Affairs are collaborating on a Transfer Plan that will be implemented by the end of this academic year. The plan outlines joint outreach and recruitment efforts targeted at community colleges around the state. It further details and refines operational steps that create a smooth pathway to enrollment, which has been challenging due to duplicate legacy systems that developed within NAU between traditional and non-traditional student populations. Implementation of a successful plan is necessary to reach the Arizona community college transfer metric numbers, and we are involved in an aggressive review of all community college relationships, agreements, and joint pathway options.

The university is also focused on a more deliberate strategy to increase our high-achiever student population. A number of efforts are under way to redesign current processes, including increased prospect identification and targeted recruitment actions and outreach. We are taking steps to transform the current Honors Program into an Honors College, which we expect to launch in the fall of 2017. The college will provide challenging, stimulating courses and programs that will align with other university efforts, including increased graduation rates in high-demand fields in STEM, education, and health professions.

The college will offer more robust learning opportunities, and students will have access to a residential experience that is intellectually and socially vibrant. Current enrollment in the Honors Program is 1,055, and we anticipate student enrollment to increase to nearly 2,400 by 2021.

Increase degrees awarded in high-demand fields from 3,552 in FY16 to 4,046 in FY19.

Innovative academic programs have been, and will be, added to address emerging fields that align with NAU's strengths, talents, and possibilities. These programs will provide valuable foundational support for addressing increasing Arizona's workforce development needs in high-demand fields such as health care and STEM.

Fall 2016

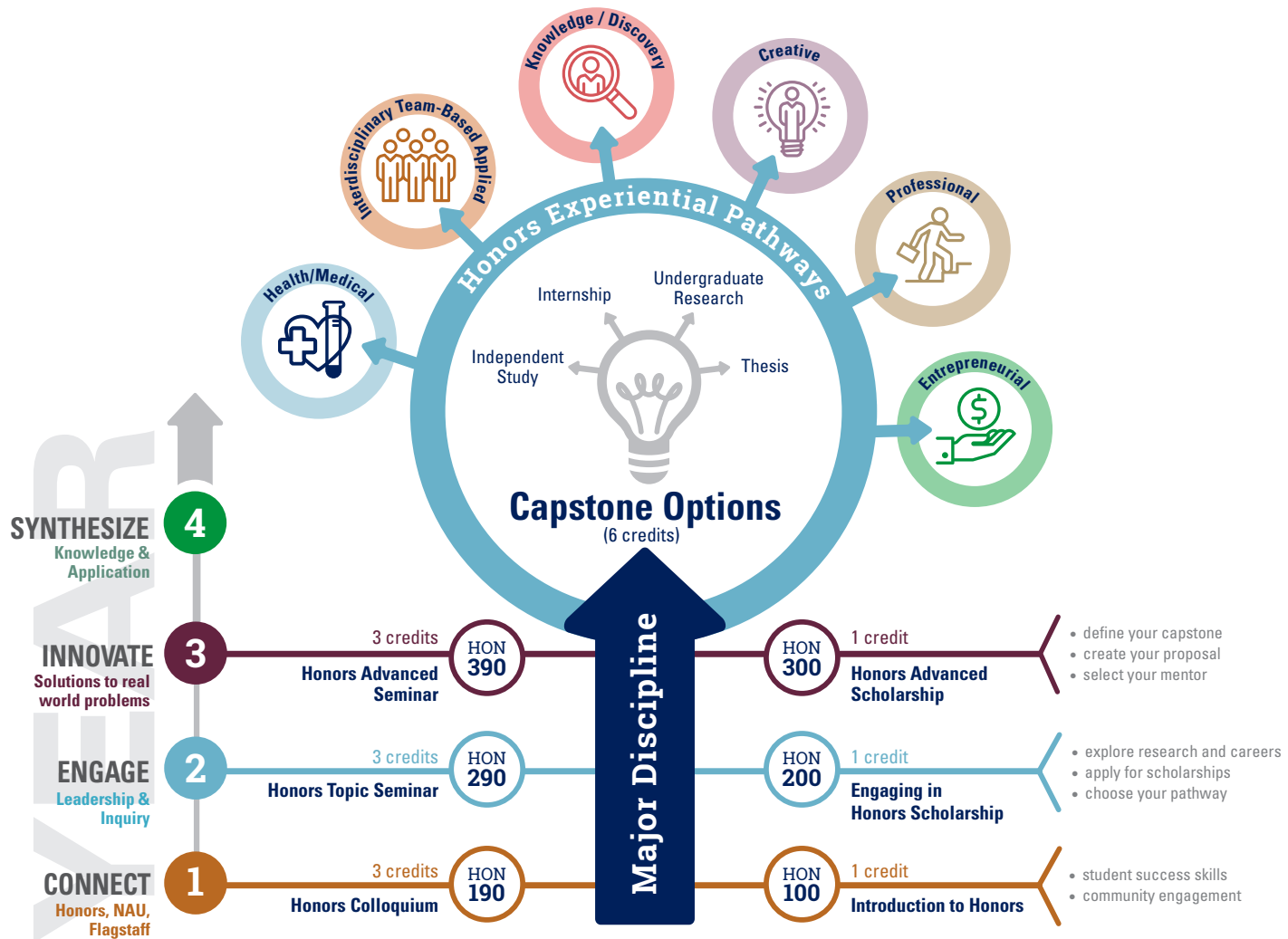
- **PhD in Astronomy**
- **PhD in Bioengineering**
- **PhD in Informatics and Computing**
- **Master of Athletic Training (Phoenix Biomedical Campus)**

Under Development

- **Bachelor of Science in Nutrition and Foods**
 - **Master of Science in Public Health in Nutrition**
 - **Bachelor of Science in Informatics**
-

The university recently announced the establishment of the new School of Informatics, Computing, and Cyber Systems (SICCS). Housed within the College of Forestry, Engineering, and Natural Sciences, SICCS integrates a range of educational programs and interdisciplinary research at the intersection of computational and data sciences with engineering, the natural and social sciences, the arts, and business. Programs combine expertise in environmental and ecological informatics, health and bioinformatics, computer

THE HONORS COLLEGE DIFFERENCE



science, and electrical engineering. Faculty in the school will work closely with university and regional researchers to incorporate informatics and computing as an essential element of research and learning at NAU through collaborative research projects and joint course and degree program development.

To complement the new programs, the university has also established the Center for Bioengineering Innovation. The center will help build capacity to produce nationally recognized basic science discoveries in bioengineering, and to transform these discoveries into applications that improve lives and foster economic growth in Arizona and beyond. It will also provide cutting-edge training in bioengineering research to prepare undergraduates, graduate students, and post-doctoral scholars to join the biotechnology workforce. The center's research and discovery will generate possibilities in physiology, medicine, prosthetics, and robotics, and provide opportunities for interdisciplinary teams and centers to focus on new areas of science and increase grant opportunities.

NAU's initial investments in the Phoenix Biomedical Campus and commitment to growing the number of students in health care programs is paying off as the campus is currently projected to be operationally self-sustaining at full build-out in FY19, as planned. We expect continued enrollment growth as these high-demand degree programs reach full enrollment projections, including the newly added Master of Science in Athletic Training, which will increase from 11 students to a cohort size of 30 over the next two to three years. By fall 2020, we expect overall PBC enrollment to be approximately 445 students, and we will review the programs' delivery costs carefully each year in conjunction with setting the appropriate graduate program fees.

Continued attention will be given to ensure students residing outside the Flagstaff campus have access to NAU's same high-quality education options, regardless of time and place, targeted to meet community and student needs without the breadth of a residential campus. With this in mind, representatives from across campus are currently involved in a comprehensive assessment of NAU's Extended Campuses programs and infrastructures. This team is analyzing program and service offerings, current partnership agreements, and evolving workforce demands to better target programs and services to meet the needs of students statewide and the communities in which they reside, as well as nationally and internationally, through our online programming. A summary of findings will be shared fall of 2017.

In the upcoming years, the NAU branch campus in Yuma will work to meet the academic programming needs of the growing first-generation, low-income, Hispanic student population and workforce/economic development needs of Yuma and the surrounding region. In doing so, the NAU branch campus will work closely with its educational partners, including Arizona Western College, local school districts, Imperial Valley College and its educational partners across the border (CETYS, UABC, and UES and other institutions in Baja Norte and Sonora, Mexico).

Among the specific goals that the campus will pursue are strengthening new and existing academic programs, specifically the new (fall 2016) Master of Global Business Administration and Post-Baccalaureate Certificate in Secondary Education. The well-established Bachelor of Psychology and Bachelor of Justice Studies will develop new emphasis areas that focus on regional workforce needs. The campus will also continue to engage the business and government communities

in the region to help address economic and social development needs (e.g. development of the EcoZone in Baja Norte and working with the City of Yuma on economic development initiatives). While the in-person enrollment at the branch campus is projected to remain relatively stable over the next few years, improving the progress and success of Hispanic, Native American, and first-generation students in the region is an important step in NAU's long-term commitment to the region's workforce development. Furthermore, the NAU in Yuma branch campus has started to expand access to the growing number of students in the southern part of Yuma County as well as in La Paz County (Parker, Quartzsite) through the existing interactive television network (in partnership with AWC) and new on-site, in-person classes.

As part of the focus on strategic commitments in communities throughout the state, NAU continues to expand our commitment to Yavapai County as well. The university opened a new welcome center in August 2016 and has already begun efforts to build stronger relations with representatives in the region. Currently, administrative leaders and faculty representatives are collaborating with representatives from local governments and the community colleges to identify programs for joint development. Additional attention will be given to building community relations, increasing joint-admissions programs and student enrollments, and offering support services that help students make the transition from community college or workforce to the university for degree completion or pursuit of advanced degrees.

The Personalized Learning (PL) program through Northern Arizona University offers accredited, self-paced, online degrees. This innovative learning platform is centered upon students' real-world career experiences, building on the competencies

they have mastered. The Personalized Learning program is one of only a handful of degree programs nationwide that award credit based on competency and understanding of the education through online learning and testing.

NAU's PL program has also been one of the few baccalaureate programs that are fully accredited by both the Higher Learning Commission and by the DOE for Title IV, Financial Aid.

Student enrollments in PL continue to grow, with 830 enrolled students during FY16. As noted above, new programs are coming online, and we anticipate growth for PL over the next three to five years to reach 2,500, which will be a key component of the university's enrollment growth projection through 2025. This level of growth is not without challenges: a key challenge is the increasing number of institutions—currently 600 nationwide—building competency-based programs for the adult student market.

PL's success is contingent upon launching new programs and streamlining support services across the university. Currently, Personalized Learning bachelor of science and bachelor of arts degrees are offered in Computer Information Technology, Liberal Arts, Small Business Administration, and the new RN-BSN degree program. The RN-BSN program launched in July 2016 and has several students enrolled who are able to continue working in their profession while completing their bachelor's degrees. In addition, in spring 2017, a new bachelor's program in management, with emphasis areas in human resources and health care, will be launched. Later in 2017, the first graduate program, a Master of Science in Computer Information Technology (MS-CIT), will be fully developed. It will include a series of certificate options, a widely used credential in the technology industry.

2. NATIONALLY RECOGNIZED RESEARCH EXCELLENCE

NAU is committed to expanding the boundaries of knowledge to improve lives. We have been long recognized for our dynamic research in specialty disciplines like land management and environmental sciences, microbiology, astronomy and planetary science, and health sciences. We plan to continue to build on these areas while investing in and developing additional strategic strengths in emerging technologies and big data, bioengineering, informatics, and cybersystems.

Investments in personnel, programs, and infrastructure are needed to reach our research goals. In the past year, we've recruited highly productive, research-intensive faculty in areas such as Biological Sciences, Mechanical Engineering, Astronomy, Biochemistry, Electrical Engineering, and Applied Indigenous Studies, and we will continue to aggressively recruit such faculty in strategic research areas. Investment in new faculty hires requires start-up funding packages on the front end, but these investments will lead to increases in externally funded research and higher rates of recovery of indirect costs from federal agencies such as NSF and NIH. These investments enable the university to attract the "best and brightest" faculty members who have established national and international reputations in their fields.

Research Expenditure Goals: FY16 = \$36,000,000, FY17 = \$37,000,000, FY18 = \$38,000,000, FY19 = \$39,000,000, and FY20 = \$40,000,000. FY25 Metric Target of \$46,800,000

Invention Disclosures: FY16 = 27, FY17 = 27, FY18 = 30, FY19 = 31, FY20 = 33

Public Service Expenditures: FY16 = \$30,500,000, FY17 = \$30,850,000, FY18 = \$31,250,000, FY19 = \$31,750,000, FY20 = \$32,250,000

We are also creating several new PhD programs, increasing our capacity to train the next generation of scientists and resulting in greater research capacity. New graduate programs will also help us recruit faculty and increase the number of PhDs conferred by NAU. The new Informatics and Computing PhD program, for example, will train graduate students to work in the transformative "fourth paradigm" of science and engineering, an interdisciplinary field relying on big data and advanced software, hardware, and statistics skills. Graduates of the program will be prepared to address critical areas of national need, including bioinformatics, population health, environmental sustainability, ecology, and cybersecurity.

As mentioned, we are making major investments in a new academic unit, the School of Informatics, Computing and Cyber Systems. This program will offer unique interdisciplinary experiences focusing on four areas—cybersecurity, heterogeneous and reconfigurable systems, cyber-physical systems, and big data and data science—that represent 21st-century challenges in key areas of national need. SICCS integrates a range of interdisciplinary research at the intersection of computational and data sciences with engineering, the natural and social sciences, the arts, and business.

We expect to significantly enhance our international research reputation through investment in a new research unit, The Pathogen and Microbiome Institute (PMI). The institute will conduct both basic and translational research in the areas of pathogen microbiology, microbiome research on chronic health care challenges, hospital acquired infections research, and select agent research. The PMI will lead interdisciplinary collaborations across campus and will develop and strengthen research and health care partnerships regionally, nationally, and globally. The PMI will expand research capabilities that lead to new discoveries, new health care translations, new economic development opportunities for the state, and new areas for workforce training for students.

In addition to these programmatic investments, we have also recognized the need to streamline and increase efficiency in the administrative and regulatory programs that support the efforts of faculty to obtain external research funding and carry out the work. To this end, we have combined the Office of Grant and Contract Services (OGCS) and the Post Award Accounting Services and Fiscal Compliance (PAASFC) into a single unit, the Office of Sponsored Projects (OSP). This reorganization will have wide-ranging benefits in coming years by increasing NAU's capacity to compete for and manage external grants while federal regulations and reporting requirements increase. Under the new structure, five service teams will be deployed to serve specific schools/centers so that one team will manage all sponsored projects activities for the faculty and staff of a particular unit. This structure will promote collaboration and efficiency throughout the research development infrastructure.

Much of this investment will be accomplished through the Technology and Research Initiative Fund (TRIF). Northern Arizona University's TRIF

initiatives have consistently generated a positive return on investment throughout the first 15 years of the program. NAU's historical strengths in environmental and climate sciences, biosciences, and health care research serve as the foundation upon which the WEES (Water, Energy and Environmental Solutions) and iHealth (Improving Health) initiatives will build increasingly visible and ambitious programs that contribute to Arizona's economic vitality. An example of this is the recent establishment of the Centers for Bioengineering Innovation and Ecosystem Science and Society. In just their first few years, these centers have generated significant increases in external research funding and intellectual property development—the cornerstones of research return on investment. The university's Access and Workforce Development (AWD) initiative supports the state's economic growth through the development and delivery of courses and degree programs that enhance workforce development in high-demand areas like health, teacher education, and business and nonprofit management.

With the most recently approved five-year TRIF business plan, a \$76 million investment over five years beginning in FY17, NAU expands beyond these three initiatives to include Exploring Planetary Systems and National Security Systems; the foundations for these programs are increased research capacity, both acquired and developed, in the areas of cybersecurity and computational sciences and astronomy. Growing to an annual budget in excess of \$17 million in FY21, the impact that TRIF funding has to NAU and to our ability to generate economic impact benefitting the citizens of the state is significant and will be a funding issue that is important to address.

NAU's technology transfer program, NAU Innovations, provides an important mechanism through which the research conducted by faculty and

students can be disseminated for the public good. NAU Innovations provides resources and technical assistance to NAU researchers from the earliest stages of intellectual property development, helping to both generate and commercialize cutting-edge research results that can compete in the 21st-century marketplace by

- identifying and facilitating the development of research with commercial potential;
- investing in proof-of-concept development;
- educating faculty, staff, and students on using technology transfer as an effective mechanism for disseminating research outcomes;
- connecting researchers with prospective licensees;
- attracting industry for research collaboration and support; and
- guiding projects from research to licensing with meaningful financial support and legal guidance.

As the strategic investments described above begin to generate growth in the NAU research enterprise, NAU Innovations will be well-positioned to translate the discoveries and new knowledge created in ways that impact Arizonans regionally and across the state.

Northern Arizona University will accelerate the growth of the research enterprise in the years ahead to spur innovation, advance solutions-driven research, and contribute to the intellectual and economic development of the state and beyond. We will measure our success through the ABOR research metrics and by improving our NSF Higher Education Research & Development ranking, which is currently at 223 (of 632 institutions) based on the latest rankings available (FY14). It is our goal and expectation that we will break into the top 200 as the result of our current research initiatives. This achievement will be a measure of our growing impact on the state.

3. GLOBAL ENGAGEMENT

A commitment to global education is expressed by preparing students to thrive in an increasingly multi-national, multi-cultural world. NAU is taking bold steps and leveraging intellectual human capital to meet the national and global demands of the 21st century. These steps will focus on curriculum development, student and faculty exchange programs, and international student recruitment.

Over the last decade, the university has been expanding teaching and research partnerships with institutions around the world.

Representatives from the Center for International Education (CIE) have developed relationships across campus, resulting in new global education initiatives. In addition to the foreign language requirement for students enrolled in the BA program, there are over 300 courses with significant global content available to meet a diversity course and a global course requirement. These courses are part of the overall Global Learning Initiative at NAU and demonstrate the commitment to incorporate specific educational experiences and learning outcomes related to the global nature of society, culture, and the economy.

	Spring	Fall
2012	931	989
2013	955	1,080
2014	1,023	1,246
2015	1,152	1,238
2016	1,169	1,205

*As of 8/30/16

International student enrollment has grown over the last few years, with most of that growth from three counties: China, Kuwait, and Saudi Arabia.

Over the next few years, we will work to better analyze our international efforts with the intent to build and execute a strategic plan that provides a firm direction for the future. This includes refining recruitment and admission pathways through the Office of International Admission and Recruitment and the Office of Asian Academic Engagement. It also involves developing programming and enrolling dual degree program students from China, who currently make up 25 percent of our international student population. We are pleased to note that the Chongqing Program will see its first engineering cohort in the fall of 2017. Efforts in China and the region will be expanded into Malaysia and other parts of the Southeast Asia over the new few years.

Further opportunities to influence NAU's recruitment of international students are available through the new International Student Presidential Scholarship, a merit-based tuition waiver for new undergraduate, degree-seeking international students admitted directly into the university baccalaureate degree program. This program provides \$10,000 per year to a qualified student and is expected to help attract an increasing number of high-quality students.

International	1,238
Middle East	518
Asia	413
Europe	169
South America	67
Africa	24
Australia/NZ	21
North America	19
Cent Am/Caribbean	7

This past academic year, 734 students were involved in Education Abroad programming.

The Visiting Scholars Academy Program, designed to develop and nurture relationships with partner universities and organizations overseas, has hosted 300-plus scholars since 2008. We expect to host 35 – 40 new scholars each year. The real potential for growth is at the department level as we send faculty to training opportunities and to teach abroad. Through these interactions, they expand their network and engage in international research and collaborations. Attention will be given to building upon the Global Learning Initiative to further engage faculty and academic departments in an intentional and strategic process of preparing students to become globally competent graduates.

Of course, the best way for students to gain global perspective is to experience it firsthand. Between the fall of 2006 and 2015, 29,031 students have participated in the Education Abroad program. The university offers three ways to participate in Education Abroad: taking classes in another country, engaging in an internship or research in another country, or attending another university in the United States or Canada.

4. CIVIC ENGAGEMENT, DIVERSITY, AND COMMUNITY BUILDING

As noted throughout this plan, Northern Arizona University has a significant impact on the community. The commitment to community is at the very foundation of the NAU experience and is built into the infrastructure to reinforce a culture of civic engagement, inclusion, and a shared responsibility in realizing our mission and goals.

To reinforce that commitment, the university recently established the Center for University Access and Inclusion. Over the next year, the center will become a hub for coordinating diversity and inclusion efforts across the university. The center will seek out and facilitate joint programming, grants, and new opportunities for faculty and other qualified individuals to conduct research that will inform compliance activities and contribute to best practices in higher education. A chief diversity officer position was created to work with leaders from across campus to develop the strategic plan; it is expected that activities will be implemented in phases and in coordination with the results of long-term diversity planning.

In the meantime, the university takes special steps to ensure the growth and success of students from diverse backgrounds. Recruiting efforts are audience specific, as noted in Section 5 related to Native American Students, and outreach is increasingly essential to ensure all prospective students are aware of the opportunities and resources available to them.

Flagstaff has always been NAU's home, and the landscape and traits of this region strengthen our programs and our recruitment efforts. This is a vibrant community of artisans, entrepreneurs, and philanthropists, and the community values our students. There is also a wide variety of

opportunities to engage in research, collaboration, and learning both inside and outside the classroom.

Community Events

- **Homecoming**
 - **Viola Awards Gala**
 - **Athletics Events**
 - **Performances**
 - **Symphony**
 - **Chamber Music Sedona**
 - **Art Exhibits**
 - **Community Breakfast Gatherings**
 - **United Way Campaign**
 - **Food Drives**
 - **Fund Drives**
 - **Holiday Open House**
-

Partnerships with other governmental agencies and the private sector allow us to serve Arizonans better and more efficiently. Through these efforts, we can better maximize resources and talents and share in the outcomes as a stronger community.

We have recently made a number of staffing adjustments and identified additional resources to help reinforce our commitment to the community. We recently hired a community relations director and a community liaison, the latter jointly funded by NAU and the City of Flagstaff. These positions work with the executive vice president and chief of staff to address issues of concern and build collaborations that support mutual goals around student engagement, student housing, and student success.

We are working with the campus and Flagstaff communities to find ways to manage NAU and community growth in a positive, efficient manner. For example, we are currently working on a high-occupancy housing plan and collaborating with developers and property owners to find solutions to

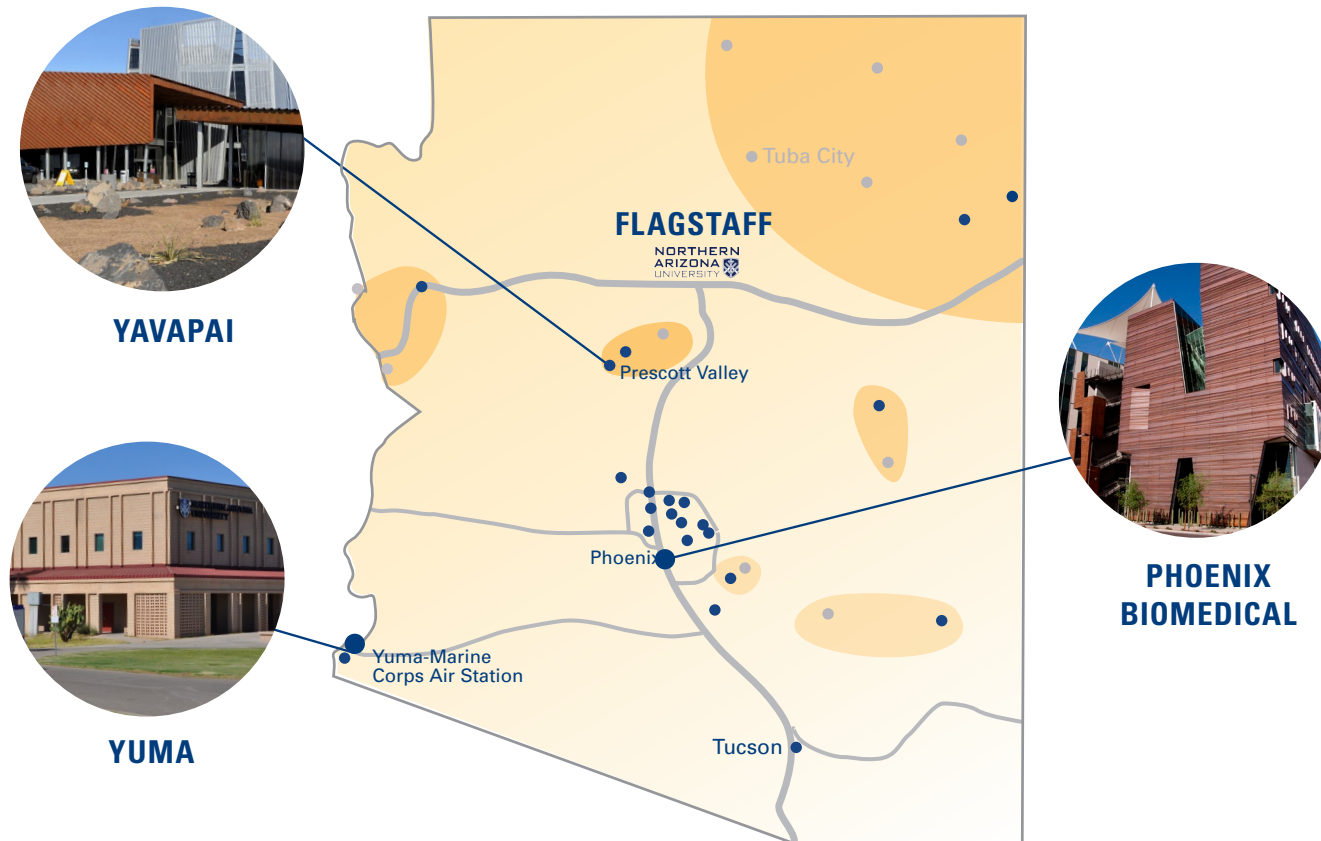
address the need for student housing in a purposeful manner.

We will continue to invest in business and government relations that will benefit the state as a whole through enhanced cooperation on research and funding opportunities. NAU is an economic engine in the state, generating \$1.2 billion annually in the most recent analysis. In addition, one in five employees in Coconino County is employed as a result of NAU's activities. This number continues to grow in alignment with enrollment and research and service goals. Our partnerships have evolved and expanded to include organizations like Northern Arizona Center for Entrepreneurship and Technology (NACET), which has helped launch more than 60 companies in the past six years and has created more than 500 new jobs. The Economic Collaborative of Northern Arizona (ECoNA) has also resulted in new jobs and income for the region. These organizations, and partnerships founded through TGen, provide a strong foundation for future economic growth in the region and around the state.

We are deeply grateful to our many veterans for their sacrifices in serving this country. Northern Arizona University consistently ranks as the top school for military veterans in Arizona and among the top third of college and university rankings nationally (Military Times "Best for Vets: College 2016"). We are refining pathways to education and opportunities to support veterans and their dependents. For example, the newly remodeled Veteran Success Center (VSC) is three times larger than the previous center, offers significantly expanded services, and provides a safe haven for veterans to connect with each other. The VSC staff provides service and referrals to a number of campus and community resources focusing on the successful transition, academic success, retention, and career development of its student veterans across the entire university.

NAU has a history as a leader in providing education at a distance. This commitment is evident in our university mission to provide accessibility to a broad range of Arizonans. Changes in leadership to this area of the university provided an opportunity to reevaluate the entire infrastructure of how we approach this critical area. Increased attention to marketplace trends and relationships with our community college, K12, and business and government partners is necessary; thus, a university-wide team was assembled to review our current practices and best practices and assemble recommendations. While the intense review continues, we have taken some initial steps that reflect the overall institutional approach—we are one NAU.

We provide the same high-quality education in many locations and through many delivery models. Our faculty and staff are part of the NAU family, no matter where they report to work. And the NAU brand, commitment to students and their success, and service to our communities are strong everywhere we serve. It is critical that the support services behind this philosophy deliver on this promise. This summer, we began integration of the Extended Campus technology division and the NAU Flagstaff Campus information and technology teams to streamline services and share expertise. We started integration of student advising services to a central team, regardless of the location of a student's educational delivery. We have posted a position to highlight our commitment to expanding relationships with our external partners and look forward to bringing on an Associate Vice President for Education and Business Partnerships to lead this effort.



5. COMMITMENT TO NATIVE AMERICANS

Northern Arizona University ranks among the best universities in the nation for conferring the highest number of degrees to Native Americans. We achieve this honor because we have long made it a priority to offer education and opportunity to our many Native American partners. We have made significant investments over the last few years to reinforce that commitment and to enhance efforts to increase enrollment, retention, and graduation rates among our Native American students. We are also making strides in our service mission related to the many communities we serve throughout the state.

The university engages in very specific outreach to Native Americans throughout the recruitment cycle. Many of our recruiters are Native American, and they make frequent visits to high schools around the state to share information on the university, the opportunities, and the processes involved in becoming a student. We also conduct special on-campus events, open houses, and summer campus outreach directed specifically at prospective Native American students and their families.

These important and impactful efforts will continue in the coming years, with increased emphasis on the educational opportunities for Native American students both in Flagstaff and around the state through Extended Campuses.

The university's Native American Student Services Center provides important, individualized support in a caring and nurturing environment where Native American students can get assistance throughout their academic experience. Some services include one-on-one

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- **Discover NAU Day brings approximately 300 Native American students to campus from high schools across the state.**
 - **Spirit Day is a recruitment event in which participants also get to attend a basketball game on campus.**
 - **NAU has held basketball games in Ganado and Window Rock—a tradition that will continue.**
 - **The Native American strategic recruitment plan was developed in conjunction with Commission on Ethnic Diversity, NACC, and NASS and will help drive recruitment activities in the future.**
 - **A Native American recruitment team focuses on Native American recruitment initiatives.**
 - **The Native American Student Services unit provides a scholar summer program.**
 - **Stew Fest, an annual event, celebrates Native American culture during Family Weekend.**
 - **NAU hosts the Navajo Nation Fair education day to raise awareness and bring people together.**
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academic, financial aid, personal, and cultural guidance; peer mentor support; and information and resources on child care, cultural events, and study labs, to name a few. The Native American Cultural Center provides a safe haven for Native American students. It is a gathering place dedicated to the distinct needs of our students, offering room for growth, camaraderie, and prayer. These resources and services provide additional support for students and help promote retention and the path to graduation.

The newly formed Office of Native American Initiatives (ONAI), under the direction of the vice president for Native American initiatives, will also help strengthen partnerships with tribal communities and tribal colleges around the state and will provide better recruitment and retention of Native American students. We plan to replicate the structure we have utilized through our relationships with Diné College and the Tohono O'odham Community College, where a joint admissions program provides students a solid transfer pathway to higher education. In this way, we are better able to provide services throughout their academic career, leading to more opportunity and success in their scholastic endeavors.

We will continue to emphasize areas that foster greater understanding and collaboration through programs like First-Year Seminar courses. Several courses are taught by Native American faculty and focus on tribal issues, the development of a certificate program in Indigenous and tribal nation building, and renewed leadership training for faculty and tribal leaders who also contribute to the university's commitment to facilitating collaboration and leadership development that will extend beyond our campus.

We are also working to create early interest in entrepreneurship, and we provide academic and scholarship resources to support Native American youth who seek to become entrepreneurial leaders within their communities. In partnership with the Johnson Scholarship Foundation (JSF), we will advance undergraduate and graduate student entrepreneurship and business education through an endowed scholarship at the W.A. Franke College of Business. With an endowment goal of \$2.6 million, it will provide a permanent stream of scholarships and increase the number of students who complete their degrees and potentially return to the communities to start new businesses and drive economic growth. Another example is evidenced in the recent acquisition of a \$3.45 million grant from the Ottens Foundation to the College of Health and Human Services to support health promotion, student success, and clinical services for Native Americans. The grant will support the following NAU programs: American Indian Nursing, Dental Hygiene, Native Journey to Academic Success, and other recruitment and retention programs aimed at Native American students in the health professions.

Our relationships with Arizona's Native American communities hold incredible potential and opportunities for students around the state. These relationships will have immediate and direct impacts, like enhanced health equity for Native Americans through the Center on Health Equity Research (CHER), and they will have long-term benefits as we build a collaborative foundation for Arizona's future.

NAU is home to numerous centers and institutes focused on Native American causes. By working together, we are improving understanding, celebrating diversity, and effecting change for the betterment of all.

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- **The Office of Native American Initiatives (ONAI)**
 - **The Institute for Tribal Environmental Professionals (ITEP)**
 - **The Center for American Indian Resilience**
 - **The Partnership for Native American Cancer Prevention**
 - **The Tribal Leadership Initiative**
 - **The Tribal Elders / Cultural Advisors Program**
 - **Center for Health Equity Research (CHER)**
 - **Native American Cultural Center**
 - **The Center for American Indian Economic Development (CAIED)**
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6. SUSTAINABILITY AND EFFECTIVENESS

Throughout the university, and at all levels, NAU continues to assess and improve institutional effectiveness and organizational performance. The university has taken a number of actions over the last few years to streamline efforts. By combining and consolidating, we have incorporated best business practices that leverage our purchasing strength, maximize staff resources, and share accountability.

For many years, ITS has been highly decentralized, and departments and units operated as independent entities. The reorganization last year united efforts and helped identify areas that needed change. Going forward, we will have more control over the purchasing process, data management, technology

implementation, and IT support. We will be better able to track progress and make adjustments based on a more thorough understanding of the IT needs of campus. The same is true of Marketing and Strategic Communications. We identified ad-hoc practices across campus that were often in conflict with one another. As a result, our purchasing has been streamlined, and the development of a campus-wide plan has been completed. We will begin implementing the changes this fiscal year.

We noted the organization changes being made to the research division. However, we should emphasize that this fundamental change in the structure and business processes will be as integral to the success of our research mission as is the ability to attract highly productive researchers and invest in the facilities to support them.

The Institutional Effectiveness division, composed of the Budget Office and Institutional Research, is evolving to include Financial and Accounting Services, along with Audit, to become the Office of Finance, Institutional Planning, and Analysis (FIPA). This will ensure that the institution's budgeting and financial functions are more closely aligned and that they complement the institution's overall planning and data governance processes.

The strategic planning process is evolving to include more participation and outreach on and off campus. The visioning process undertaken last year to review the university's mission statement and create NAU's first vision statement is now moving to the next phase. We will now focus on a review of the institution's values and strategic goals. The process of revising the whole planning framework, which will be fully in effect beginning this coming year, coincides with the HLC accreditation review process. The two efforts combine to provide insights that will inform further direction and action. The

accreditation review, which takes place every ten years, is currently under way and will culminate in a fall 2017 campus visit and summary. In combination, these two efforts provide insights that will inform further direction and action.

NAU is implementing a comprehensive data governance process in FY17 in response to the increasing demand for immediate, accurate, and comprehensive data and information for institutional decision-making. The model establishes data governance advisory committees in the areas of information technology, web/digital strategy, and data and business processes.

An overarching Data Governance Committee, composed of senior NAU administrators, will guide the university effort to ensure alignment with strategic planning goals. Committees will undertake a wide variety of tasks, from business process improvement and data dictionary development to

data integrity issue resolution and data capacity enhancement. Campus-wide training and a data governance feedback loop are key components of the model and will facilitate communication between committees and throughout all levels of the institution about the importance of high-quality data and consistent reporting.

As noted previously, a committee representing units and departments from across the university was tasked to review the Extended Campus operations. While recommendations will be implemented over the next year, a review has been started on our tuition elasticity and competitiveness regarding online programming, competency-based degree subscriptions, and our community-based courses. Recommendations will be presented with the next tuition-setting cycle for the following academic year.

The reporting structure for Human Resources was recently changed to report directly to the executive

vice president and chief of staff. This move ensures direct engagement with the Office of the President to facilitate more involvement in employee recruitment, development, and personnel resource planning. Effective human capital management will continue to be important as NAU manages the processes and programs across the university in support of the 2025 Enterprise targets.

NAU has long been known as an environmentally friendly university. This is demonstrated in our program offerings and research conducted on land and water management, biology, and ecology, for example. Our world-renowned reputation in forestry is grounded in our Flagstaff location, which provides direct access to 40,000 acres of forest, woodland, and rangeland. Our commitment to the environment is evidenced in new LEED-rated buildings, recycling habits, and water and energy management—and we have created a culture that fosters critical thinking and open discussion around policy and best practices.

FINANCIAL AND ORGANIZATIONAL STRATEGY

To remain competitive, the university must continue to find solutions to meet evolving trends and needs. As noted in the previous section, that work begins with developing and sustaining an agile organizational structure. Progress has been made the last few years, but we need to be prepared to make adjustments to reach the 2025 metric targets before us.

One area of emphasis will be on leadership development to ensure we cultivate tomorrow's leaders today. This is especially important, given the high percentage of faculty and staff facing retirement in the next few years. The university will continue to offer in-house professional development opportunities for all employees, and each year development and training are addressed during the employee appraisal process. Employees are also encouraged to seek outside learning opportunities offered through workshops, seminars, and conferences. In addition, the university's tuition reimbursement program makes it possible for employees to take advantage of the high-quality academic offerings through NAU and other state universities.

During FY16, we began streamlining operational and functional responsibilities. Those efforts will continue over the next few years as we refine student services and advising. Combining what have traditionally been independent actions allows us to maximize resources and talent to achieve greater results.

For example, by uniting Marketing and Strategic Communications and associated actions, we can better achieve our goals by strategically targeting specific messages to specific audiences. It further

allows us to better manage costs through transparency and collaboration, which reflects of our commitment to strategically manage our resources and make reallocations of those resources where necessary. Business unit reviews will be used in conjunction with the strategic planning processes to ensure this alignment.

NAU will continue to explore and implement a "smart growth" approach to the increase in student enrollment and retention. This means space management, deferred maintenance planning, and new options for student housing—both on and off campus. The university is currently involved in efforts to recruit a new Vice President for Campus Operations to help us address this issue in the future. In addition, that position will work in collaboration with university leaders to develop and adopt deferred maintenance strategies to support the infrastructure that includes technology, along with buildings, to maximize the use of existing space and associated investments.

It is also important to balance tuition rates, financial aid, and enrollment strategies with the realities of state appropriations. We will continue to promote the Pledge program, but will review it annually to ensure its financial viability. We will explore online tuition rate strategies for the FY18 tuition setting process to better align it with the significant online enrollment growth component in our projected 2025 enrollment. NAU will continue to focus on WUE state recruitment, which provides 70 percent of our current undergraduate non-resident enrollment, and targeted out-of-state markets to enhance the university's tuition revenue stream. All of these

front-end recruitment strategies will be closely supplemented by targeted actions and investments aimed to improve the retention of our students.

We will optimize revenue streams by seeking alternative funding sources through partnerships, philanthropy, grants and contracts, and auxiliary services. Investments to increase grants and contract revenues have been noted, and auxiliary service rates will be reviewed annually to make sure they remain competitive but provide the necessary funding support both in support of the auxiliary enterprise and the overall university enterprise. The university completed its first comprehensive campaign in June 2016, raising \$103 million and surpassing its goal of \$100 million. Planning for the next campaign is currently under way, and we expect to have a working document in early 2017, with a campaign launch in the summer of 2017.

These actions are aimed to provide the organizational and physical infrastructure necessary to move forward. However, these actions and commitments of resources will also be reviewed in the context of the university's overall financial position. We will need to determine priorities in terms of investments to remain within our statutory debt capacity limit, achieve a balanced budget each year with a positive growth in net position, and maintain sufficient liquidity as prescribed in the Board of Regent's guidelines for days cash on hand. The review and potential reallocation of existing resources will continue to accompany these discussions as NAU aims to operate efficiently and maximize the use of its resources.

CHALLENGES AND CONSIDERATIONS OF POTENTIAL CHANGES IN THE ENVIRONMENT

Northern Arizona University is once again at a crossroads and is poised to join the ranks of the nation's best institutions. Investments over the last two years have resulted in strategic hires who can drive innovation and secure funding from new and expanded channels. The campus infrastructure has changed to accommodate student growth while protecting our campus culture and has provided opportunities for expanded research and ideation. Changes in the organizational structure have also resulted in new synergies and resource sharing.

The university has a long history of adaptation, and members of the campus community are known for their ability to meet challenges with effective solutions. Even still, there are challenges that need to be considered as we take the next steps in our evolutionary journey.

The competition for students continues to increase across the nation, and NAU is no exception. We must be deliberate and targeted in our recruitment efforts in order to provide opportunity within Arizona and beyond. We also need to diversify our strategy in a manner that recognizes alternate paths to higher education. Transfer student populations are complicated, as are non-traditional students. There is no "one size fits all" when it comes to education or to prospective students looking for education opportunities. Our strategy to reach students from California needs to mature, and we must be more strategic in developing international relations around recruitment and research. Our success in these markets will be important to the overall enrollment and revenue expectations that we have set.

As we become more aggressive in our recruitment strategies and welcome more students to NAU, we must also keep up with that growth by providing a solid infrastructure. The university has built a number of new buildings over the last few years, many of which were funded by SPEED funding. That funding is no longer available, and alternate sources must be found. The university is building new student housing through a public-private partnership, which will open in the fall of 2017 to accommodate 650 students, but more housing will be needed. The same is true of classroom and lab space as on-campus enrollment grows. In addition, maintenance costs continue to rise, with few options for funding sources. We have dedicated university funds to this effort but will need to have a significant, ongoing investment from the state to support a building infrastructure with a \$120 million deferred maintenance backlog for non-auxiliary buildings.

For years, NAU has struggled to offer competitive salaries based on our region and our industry, and we continue to face pressures both regionally and nationally in recruiting and retaining faculty and staff. We are committed to a merit-based salary program and talent to retain employees. Challenges like the high cost of living in Flagstaff and limited job opportunities for employee spouses and partners are issues that we need to address when reviewing our compensation and employee recruitment strategies. Health insurance rates continue to increase, and we are working diligently to keep costs down while also providing high-quality coverage.

As previously noted, we have an aging faculty and staff; we expect to see an increase in retirements in the next ten years. To ensure the viability and quality of the NAU experience, we need to prepare for those changes today by developing succession planning strategies to identify and train the next generation of university leaders.

Decreases in federal and state funding place new pressures on the university to find alternate funding resources. NAU is addressing some of these challenges through the investments in research and more emphasis on grant writing, as well as expanding philanthropic and business partnerships. The university continues to explore opportunities inherent in each funding channel.

There are many challenges, but none as concerning to students as the rising cost of an education and the increase in debt. Maintaining our Pledge tuition program is one way to help students plan for the cost of college, but they still face increased pressure to find and secure financial aid, scholarships, and other resources to achieve their goals. We will offer alternate tuition models and learning modalities that provide financial options via residential, online, and personalized learning. We are also in the midst of evaluating and adjusting class fees to streamline costs and transparency to students. The creation of a centralized student employment office this fiscal year will provide a more coordinated effort to identify employment opportunities on campus. And NAU remains committed to effective institutional gift and merit aid strategies that ensure access to educational opportunities for a diversified student population.

CONCLUSION

Northern Arizona University is well positioned to meet the goals established in partnership with the Arizona Board of Regents. Our confidence is based on past successes, our dynamic campus community, and our ability to find opportunity in every direction.

Our commitment to student success has always been the fundamental driving force behind our evolution as a university. We will continue to validate that priority by streamlining resources and services that ensure the unique NAU-experience—even in a time of rapid change and growth.

Our faculty and staff are dedicated professionals who seek and share the best of themselves in their work. As our surveys attest, faculty members are mentors, leaders, and partners in learning that often goes beyond the classroom. In addition, our investments in new program offerings and research ensure we stay at the very forefront of knowledge.

The university is employing “smart growth” to enable new and innovative ways to expand access and opportunity. Relationships with representatives from the communities we serve, businesses, and government are vital to our future success. And we welcome the opportunity to share in the possibilities and responsibilities associated with educating tomorrow’s workforce.

Change is nothing new to NAU. We have long been at the forefront of change and innovation. While the impact of our work is most evident in specialty areas that have traditionally been distinct to our region, the implications are increasingly recognized throughout Arizona and beyond.