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June 26, 2014

Regent Rick Myers
Arizona Board of Regents
2020 N. Central Avenue, Suite 230
Phoenix, AZ 85004

Dear Regent Myers:

I have attached five documents that respond to the request for a report on performance metrics, on annual performance incentives, and on university initiatives in your letter of May 19, 2014. As you review these materials, I would be pleased to answer any questions that you might have. I appreciate the Board's willingness to review progress on performance metrics often not due until July 2015. I am especially gratified by the progress of our capital campaign and our ability to capture recent grants from the Keck Foundation and the Del Webb Foundation.

The documents attached include:

1. Update on Multiple Year Performance Metrics
2. Personalized Learning Strategic Plan
3. The Future of Northern Arizona University's Extended Campuses
4. Phoenix Biomedical Campus Strategic Plan
5. Transfer Student Enrollment and Graduation

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Haeger".

John D. Haeger
President

c: Regent Mark Killian
Regent LuAnn Leonard
President Eileen Klein
Nancy Tribbensee
Chad Sampson



June 2014 Update of Multiple-Year Performance Incentive Metrics

Metric

Full-Time Freshman Retention Rate	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 Estimate*	2015-16	2016-17	2017-19	2018-19	2019-20
NAU	69.3%	72.2%	71.5%	72.8%	76.1%	71.7%	74.5%					

The university has assessed and modified its programming to help new entering freshmen experience success in the first year. After a very successful programming effort in 2012-2013, when retention increased over 3 percent, Academic Affairs tweaked the program in a manner in which it was believed to be helpful, but in fact, turned out to be a bad decision. Thus, in 2013-2014, first-time full-time retention fell to 71.7%.

Academic Affairs believes it has learned a great deal from the different approaches and designed a program for fall 2013 that combined elements of both programmatic efforts. It is expected that the new program will show success when fall 2013 retention is measured (fall 2014 21st day). It is anticipated the 2014-2015 freshmen retention will meet the target of 74.5%. First-year full-time retention is tracked daily and currently is at 74.6%.

College Success Program: In essence, the university found that students who qualify for admission with weaker academic performance perform better if the university mandates enrollment in this program. The program requires students with a specified profile to take the ALEKS math placement test early in the admission process and prescribes a first semester course schedule. This protocol was used in a voluntary manner with approximately 325 fall 2013 freshmen (2014-2015 first-year full-time retention) and will be enlarged as mandatory for up to 650 freshmen for fall 2014. It is anticipated that this program, with its proven success record, will enable NAU to meet its retention goals.

Metric

Research and Development Expenditures (HERD)	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Estimate	2014-15 Projection	2015-16	2016-17	2017-19	2018-19	2019-20
NAU	\$26,183	\$28,803	\$30,785	\$28,100	\$30,516	\$33,000	\$37,000					
NAU 2020 Goal			\$30,751	\$32,160	\$33,569	\$34,978	\$36,387	\$37,796	\$39,205	\$40,614	\$42,023	\$43,432

Research and development expenditures are defined from the National Science Foundation Higher Education Research and Development (HERD) Survey. The HERD Survey is due to NSF by the January following the fiscal year-end close; and therefore the next available actual data (2013-2014) will be available in January 2015. Data is publicly available via the NSF website approximately 16-18 months after fiscal year-end close.

NAU anticipates that the FY 2015 goal will be met because of major new investments in research personnel and equipment in FY 2014 and additional investments approved for FY 2015. NAU recently successfully hired two prominent research scientists, Dr. Edward Arthur George (Ted) Schuur and Dr. Michelle C. Mack from the University of Florida. Both are productive research faculty who will bring major funded research projects with them.

Three other major initiatives will provide a platform for further funded research successes:

- The formation of a new Informatics and Computing Program (ICP) as a foundation for building interdisciplinary research at NAU and for recruiting faculty and students in *Big Data* research and education. We see the ICP as generating significant new external funding opportunities for NAU.
- A formal partnership with Northern Arizona Healthcare (THRIVE), a new multi-organizational healthcare research network in northern Arizona involved in chronic diseases research (heart disease, hypertension, diabetes, cancer, obesity/high blood pressure) with unique populations (Native American groups, rural poor).
- The W.M. Keck Foundation has approved a \$1 million award to NAU and the transdisciplinary research team of Kiisa Nishikawa, Matthew Gage, Brent Nelson and Christopher Mann for *A New Twist on Muscle Contraction*. The team is developing techniques to understand protein interactions in muscles, potentially leading to applications in advanced prosthetics.

Metric

Number of Bachelor's Degrees Awarded	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Estimate	2014-15 Projection	2015-16	2016-17	2017-19	2018-19	2019-20
NAU	3,203	3,473	3,825	4,281	4,513	4,700	4,770					
NAU 2020 Goal			3,725	3,980	4,450	4,500	4,570	4,600	4,625	4,680	4,780	4,900

NAU already exceeded the 2013-14 goal of 4,500 in 2012-2013, and will have no trouble exceeding the 2014-2015 goal of 4,570 in 2013-2014. NAU certainly will be successfully meeting the 2020 goal of 4,900 bachelor's degrees, and may exceed it as early as 2014-15 or 2015-16.

Metric

Arizona Community College Transfers	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-19	2018-19	2019-20
NAU	1,917	2,151	2,376	2,606	2,523	NA	NA					
NAU 2020 Goal			2,350	2,500	2,660	2,800	2,950	3,000	3,200	3,400	3,600	3,800

This is a very challenging goal. Data for 2013-2014 will not be available until January of 2015, and for 2014-15 not until early 2016.

Several factors influenced NAU's experience in 2012-2013 when it did not meet its Arizona Community College Transfer goal. NAU's history from 2008-09 through 2011-12 was very successful. In about 2010, NAU began partnering with AZ community colleges on CC2NAU programs which encourage community college students--many who had not intended to complete a four-year degree--to be admitted to NAU, but to stay at their community college and complete their two-year degree before attending the university. Research has found that this pattern of enrollment is more likely to facilitate community college transfer completion, however, it likely had the effect of slowing transfer activity to NAU. Further, between 2010 and 2012, Arizona Community College enrollment declined 6 percent. This means the pool of potential transfer students is smaller.

It is anticipated that NAU will be successful in achieving its 2020 goal, however, there may be a lag as the CC2NAU students complete their two-year degrees at Arizona Community Colleges before transferring. Also, NAU's new online Personalized Learning program could well become a popular transfer pathway. Since it is anticipated that Personalized Learning will grow quickly, it is very probable this goal can be achieved.

Metric

Academic Quality Measure	2012-13	2013-14 Estimate	2014-15 Projection	2015-16	2016-17	2017-19	2018-19	2019-20
Percentage Responding "Excellent" to the question "How would you rate your overall experience at NAU?"								
NAU	43.2%	42.0%	42.5%					
NAU 2020		42.0%	42.3%	42.7%	43.2%	43.6%	44.0%	44.5%
Percentage Responding	52.0%	82.0%	85.0%	85.0%	84.0%	83.0%	82.0%	80.0%

This goal is likely to be met. Over 90 percent of NAU's students respond "good or excellent" to the general question, "how would you rate your overall experience at NAU?" Over 40 percent respond with the top box "excellent." NAU's goal is to maintain this extremely high level of satisfaction while expanding the number of graduating seniors who actually respond to the survey.

In 2013-2014, NAU successfully incorporated the survey administration as part of the graduation application process. This means the response rate for the Graduating Senior Survey jumped 30 percent from 52 percent of students responding to 82 percent of students responding. This is an extremely encouraging development because it will allow NAU to provide survey data at the program level and also provides an excellent base for judging student satisfaction with the education provided.

University Initiatives Performance Incentives: #3 Resource Development Efforts

Resource Development Efforts	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Estimated	2014-15 Projected
Leadership of resource development efforts in non-tuition and non-research grant generated resource base.							
Total Foundation Assets (unaudited)	\$ 94,659,018	\$ 89,110,495	\$ 105,908,365	\$ 116,381,962	\$ 131,612,750	\$ 155,000,000	\$ 170,500,000

NAU's Foundation assets are growing substantially. Total unaudited assets, after a decline in 2009-2010, are estimated to increase to \$155 million by year-end 2013-2014, and to be over \$170 million by the end of FY 2015. During 2013-2014, NAU launched the public phase of its comprehensive fundraising effort, *The Campaign for NAU: Only at NAU*, with a goal of raising \$100 million. With \$63 million already raised, NAU is well on its way to meeting its goal.

Additionally, during 2013-14, NAU has been successful at winning two prestigious private foundation awards: a \$1 million gift from the Del E. Webb Foundation to build out more than 45,000 square feet of a modern health education facility; and a \$1 million gift from the Keck Foundation to expand engineering/biological research leading potentially to advanced prosthetics.

Personalized Learning

Strategic Plan

NORTHERN
ARIZONA
UNIVERSITY



Executive Summary

Always at the forefront of instructional delivery innovation, Northern Arizona University has been a regional leader in distance learning for four decades. As the competition from both public and private institutions intensified and online enrollment started to level off after a decade of an unprecedented growth, the Extended Campuses division secured a \$1 million-grant from the Lumina Foundation to develop a new model of competency-based bachelor's degree programming. The university's initial investment of \$3 million then helped implement the model now known as Personalized Learning.

After securing accreditation from the Higher Learning Commission and federal financial aid eligibility, the first students were enrolled in late spring of 2013. For a six-month, all-inclusive subscription rate of \$2,500 students can enroll anytime in one of three programs: Small Business Administration, Computer Information Technology, and Liberal Arts. At the end of the program students receive a traditional transcript and a competency report that will help employers assess graduates' fit for a particular position based on a summary of mastered skills and competencies.

Personalized Learning's enrollment is expected to increase to more than 5,000 students in the next few years. By 2020 the six-year graduation rate is projected reach 75 percent and the operations to become financially completely sustainable. To achieve these goals within an increasingly competitive landscape Extended Campuses will focus on increasing programs' visibility, access, and financial performance. By the end of FY 2015 with enrollment of 1,175 students, Personalized Learning is projected to be revenue neutral and by FY 2020 generate net

2014 Enrollment Goal	2015 Enrollment Goal	Key Strategies	2019-2020 Enrollment Goal
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revenue of \$19 million.

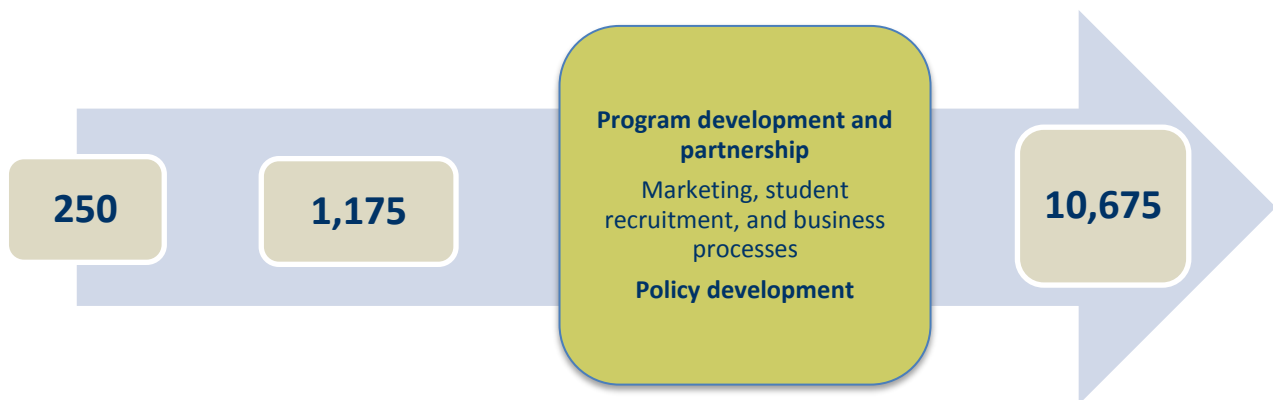


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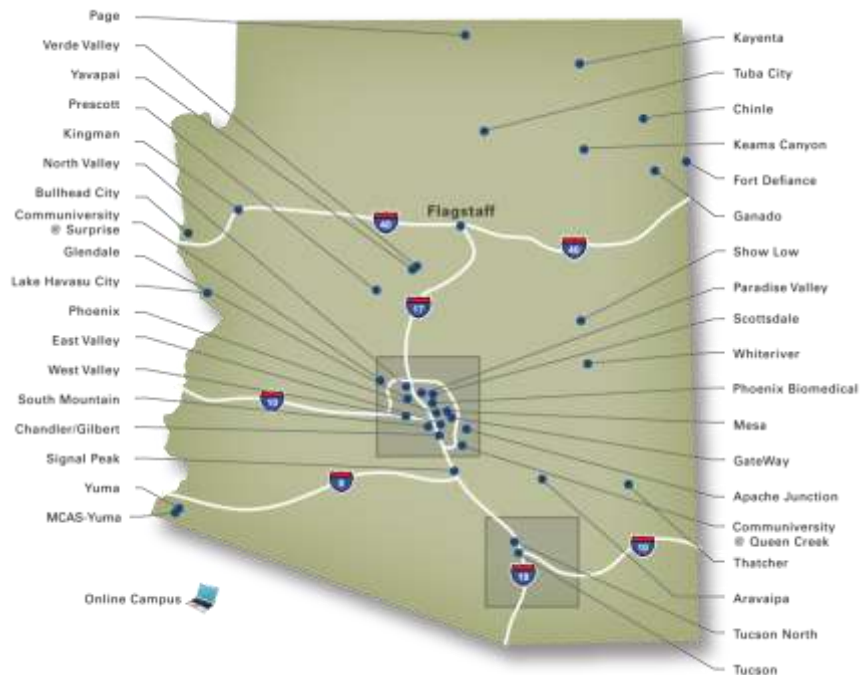
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1. History of Serving Nontraditional Students in Arizona

The first attempts to extend access to higher education to place-bound rural Arizona students date back to the 1960s. By mid 1970s, Northern Arizona University faculty traveled across the state on a regular basis as

agreement-based programming started to expand. With establishment of permanent sites in the 1980s, including NAU Yuma, distance learning became part of the university's mission. Technology started to facilitate delivery of instruction in the early 1990s, first through the interactive TV technology and later through the Internet. In 2000, Arizona

voters passed Proposition 301 establishing the Technology and Research Initiative Fund as a special investment in higher education. That enabled the university to significantly expand its online programming. Today, the university's Extended Campuses serve more than 7,300 students in 120 programs delivered at 37 physical campuses through the state or online.



Over time Extended Campuses has developed a deep expertise in serving nontraditional students whose expectations and needs differ from recent high school graduates seeking traditional residential higher education experience. Nontraditional students are typically older, often work to support themselves and their families, have dependents, are serving in the armed forces, or are veterans. They are often time- and place-bound and because of life circumstances they are more likely to enroll part-time.

Nontraditional student market profile:

- Demographics: 28-45, primarily female, have some college experience
- Goal: complete bachelor's or master's degree, primarily for career advancement, secondarily to begin/change careers (distant second)
- Decision factors: desired program offered, affordability, convenience, acceptance of transfer credits, reputation
- Influences: family/spouse, employer, coworkers

2. Situation Analysis

NAU with its extensive network of campuses was for a long time a regional leader in distance education. Even during the second part of the first decade of this century when online programming became common-place at most larger colleges and universities, NAU had a very strong market position evidenced by a rapid growth in online enrollment. Recent years were marked with slower growth and in fall 2013, online student credit hours declined for the first time across all categories (Chart 1).

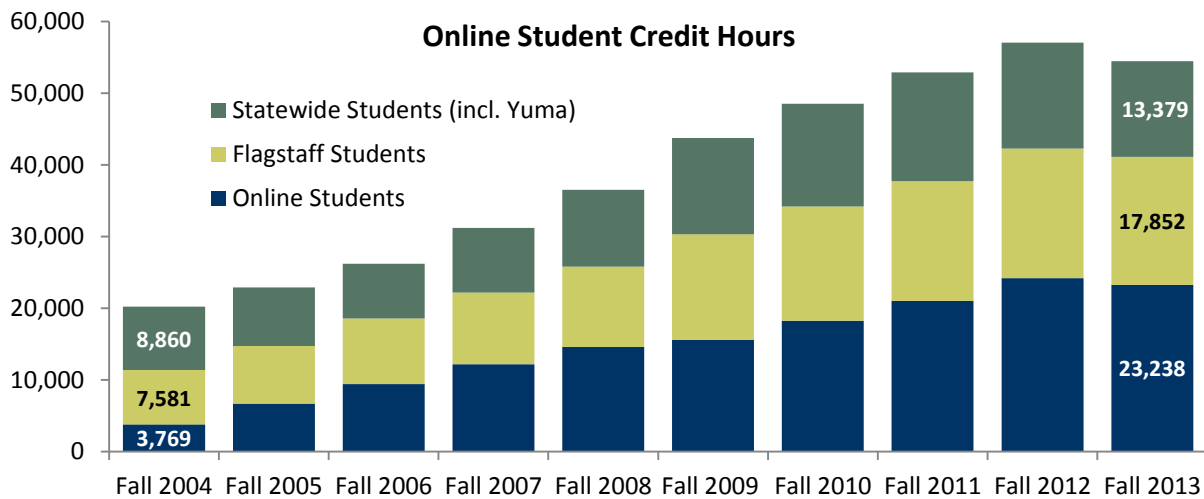


Chart 1: Online Student Credit Hours

As the web technology matured throughout the 2000s, barriers to entry into the nontraditional student market in the higher education sector have weakened. The market exploded with technology firms serving the higher education sector and with numerous experimental approaches to delivering and marketing learning opportunities. With innovations like Khan Academy, NBC Learn, University of the People, and various MOOC partnerships with Coursera, edX, and Udacity, affordable higher education opportunities for nontraditional students have flourished.

The university recognized that without adapting to the new competitive reality, it will lose its once very respectable adult student market share. Instead of following in the footsteps of other national leaders, the university charted its own way by pioneering competency-based higher education programming and was among the first institutions to offer Personalized Learning—a self-paced, competency-based program with a high level of assessment that is poised to produce more graduates in less time and at a lower cost.

Technology continues to improve in ways that help educators improve pedagogies and student success. Online learning in general and competency-based learning in particular allow learning to be student centered. Personalized Learning goes beyond replacing the sage on the stage with the guide by the side by disrupting the relationship of teaching to student. Paulo Freire condemns the “banking concept of education” where educators “deposit” their knowledge into the students’ brains. Lecture as an instructional model relies heavily on the depositing of information in students’ brains, assuming them to be waiting, empty receptacles. John Dewey is noted for his theory that students learn better by doing, especially when the content is made applicable and relevant to the students’ understanding of and experiences with life. Additionally, in light of Howard Gardner’s theories that students draw on different types of intelligences as they learn new content, we offer a variety of modalities to better address students’ learning preferences.

3. Personalized Learning - Program Overview

Personalized Learning offers self-paced, competency-based, direct-assessment programs of study leading to a BA/BS degree in one of three disciplines: Small Business Administration, Computer Information Technology, and Liberal Arts.

The business processes are innovative and personalized. Students may start any day of the year and their enrollment term is six months from that date. Personalized Learning uses a subscription model, like Netflix, where the student completes lessons at their own pace, to encourage completing as many lessons as possible in each subscription period leading to accelerated completion.

Before admission is granted, a student completes a readiness assessment to determine if she is a good candidate for Personalized Learning. The assessment provides students with feedback on whether they have the motivation and prerequisite competencies required to succeed. If a student has developmental deficiencies in math and writing skills, for example, those deficiencies are addressed in free developmental modules before the student is admitted. If the student does not know or remember probability theory, then she completes a module on probability, not a semester-long course covering many concepts. Students might take a couple of weeks or several months to address various deficiencies, working at their own pace and at no cost to them.

The cost to the student is \$2,500 per six months and is all inclusive (no extra costs for fees, textbooks or materials). Students may transfer in prior formal learning such as courses from other accredited institutions, CLEP (College-Level Examination Program), Advance Placement,

and ACE. Northern Arizona University started admitting students to Personalized Learning in early June 2013, after earning accreditation from the Higher Learning Commission.

Personalized Learning's three programs resulted from a systematic course-development effort that is grounded in the Lumina Foundation's degree profile, Bloom's Taxonomy, and learning theories, all of which set the standards for the design and development of Personalized Learning's curricula. The curriculum design and development, as well as the assessments, are original and took about nine months per degree program to complete. No existing NAU online courses or segments were used for the interdisciplinary lessons—the interdisciplinary nature of the courses requires a tight integration of concepts. NAU recognized that the rapid development schedule would require outside support and so partnered with [Pearson Learning Solutions](#) for development. Pearson brought subject-matter experts, instructional designers, technical resources, and assessment experts to work under the guidance of the lead faculty. Pearson receives a percentage of tuition as payment for services for a three-year period or as long as the agreement is renewed. Periodic updating of courses is the responsibility of the lead faculty.

Every student has a primary Faculty Mentor in his/her degree discipline whose sole responsibility is to ensure that the student is academically successful. The Personalized Learning Faculty Mentor serves as the proactive primary contact for Personalized Learning students from recruitment through graduation, providing guidance, motivation, solutions, policy interpretation, and access to NAU resources. A Faculty Mentor does not service in a traditional instructional role, but is assigned to interact academically and professionally with 150 students. Working with Subject-Matter Mentors, academic program faculty, and PL student-services staff, the Faculty Mentor's role is to foster and support a productive, successful relationship between NAU and the Personalized Learning student through frequent contact throughout the student's academic career. Contact can take place via telephone, instant messaging, e-mail, threaded discussions, group discussions, and message boards.

The student receives two records of their success in the program. A traditional transcript with 3-credit-hour courses can be provided by a database crosswalk that tracks the completion of all the requirements for each original 3-hour NAU course. More concretely, the graduate will have a [competency report](#) that describes to an employer the skills directly applicable to the workplace. For example, with a traditional transcript the employer doesn't really know what skills a graduate has gained from taking three history courses. The Personalized Learning competency report identifies the practical skills obtained from successful completion of these courses.

4. Road Ahead

Competition

Western Governors University has been a pioneer in competency-based education. Their self-paced competency-based learning model served as a marketplace test for NAU's venture into this arena. Other influencers—while not competency-based—included University of Southern California, UNC-Chapel Hill, and Georgetown, among others. Utilizing the best practices and elements in each, such as pre-produced educational resources and instructional staffing models, NAU with its Personalized Learning emerged as the first public university to offer competency-based baccalaureate degree programs.

The competency-based field continues to see new players, but with variations on the model, delivery, program type, or student base. Southern New Hampshire University's College for America, offering associate's degrees, launched solely on the basis of workplace partnerships. Antioch's competency-based graduate degree programs require a residency. Broward College focuses primarily on certificates. There are many others.

While many of these institutions are viewed as competitors, this emerging model allows for collaboration in getting the idea of competency-based education into the minds of prospective students, employers, policymakers, and others. However, NAU retains a competitive edge with the ability to offer Title IV aid, the low cost, and the appeal of a public university. A student recently remarked, "the fact that NAU is a public, accredited university played a huge role in my decision."

Personalized Learning is poised to become Extended Campuses' flagship effort in serving nontraditional students. With NAU gaining federal financial aid approval by the U.S. Department of Education and accreditation from the Higher Learning Commission, the door to competency-based bachelor's degree programming has opened for other institutions to replicate Personalized Learning's early successes and the competition will likely increase.

Within five years, Personalized Learning's enrollment is expected to increase to 8,000 students, the six-year graduation rate to reach 75 percent, and the operations to become financially completely sustainable. To achieve these goals within an increasingly competitive landscape, Extended Campuses will focus on increasing programs' visibility, access, and financial performance through strategies focused on program development, marketing and student recruitment, and policy development:

Program Development and Partnerships

Personalized Learning has entered conversations with community and business leaders who are working with lead faculty to fine tune competencies for mutual benefit. The future includes partnering with corporations through the services of matchmakers such as HOLScience. The corporation and the institution work together to develop a curriculum that serves both parties' interests. In this model, the corporation shoulders most of the cost. The key strategies will include:

- Development of new, demand-driven programs and curricular enhancements to optimize learners' engagement and facilitate student success.
- Fostering partnerships with community colleges and government agencies, including the Department of Defense to seek authorization to accept military-sponsored benefits.
- Working with corporations on the details of programs thereby creating a pipeline of students and improving curricula.

Marketing, Student Recruitment, and Business Processes

The central goal of the Personalized Learning marketing strategy is to generate demand that will lead to rapid enrollment growth. The overall strategy and tactics include paid and earned lead generation, PR, social promotions, collateral, prospect nurturing, and website content. McMurry/TMG supports digital lead generation tactics, and CooperKatz provides national PR support (primarily via story development and pitching). Outreach coordinators also generate new leads through business and community outreach activities. Strategic marketing priorities for early FY 2015 include a refinement and continuation of digital lead generation and national PR, as well as updates to advertisements, landing pages, website, collateral, and prospect nurturing campaigns. In summary, Personalized Learning will focus on:

- Effective communication techniques that facilitate prospect-to-student conversion.
- Increasing automation and program delivery efficiencies, maximizing economies of scale.
- Adapting Extended Campuses business intelligence, admission policies and procedures, and outreach methods to Personalized Learning's marketing, recruitment, and student-services efforts.
- Aggressive marketing including, lead generation, high visibility pay-per-click ads, high profile ads in in-flight magazines, Time Magazine, and the New York Times.

Policy Development

Competency-based model at a scale of NAU's Personalized Learning is very new from the institutional as well as from the state and federal policy perspective. The university has addressed many internal processes and institutional policies during the program's planning and early implementation stages. But some processes or policy implications have not been anticipated, for example the applicability of the university stop-out policy, and are being addressed as cases arise. In the next few terms Extended Campuses will focus on adjusting both the model of Personalized Learning and internal policies. Other specific policy issues that affect Personalized Learning are state excessive credit policy and federal satisfactory academic progress policy, both having implication for the student's cost of education and financial aid eligibility.

Extended Campuses' Personalized Learning also participates (as a charter member) in the [Competency-Based Education Network](#) to identify challenges and create a critical mass in affecting policy and industry change at the national level.

5. Financials

To respond to changing market dynamics in online programming, NAU invested \$3 million and leveraged \$1 million of seed money from the Lumina Foundation to develop Personalized Learning. By design, Personalized Learning's marketing, recruitment, and student-services are supported by Extended Campuses. This structure allows for internal efficiency in the division, but also expands offerings for the prospective student. The following table provides a budget overview based on the assumption of meeting the 2020 goals.

Personalized Learning Budget Overview

Personalized Learning

Expense	actual				estimated			
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Expense Total	222,942	1,233,583	4,139,934	4,948,166	5,549,844	5,979,060	6,439,067	7,082,974
FTE Total	2	17	23	28	32	36	39	42

Revenue	actual				estimated			
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Annual Subscription	0	0	250	1,175	2,450	4,325	6,800	10,675
Gross Tuition Estimate	0	0	625,000	2,937,500	6,125,000	10,812,500	17,000,000	26,687,500
Gross Tuition Actual	-	-	600,000	-	-	-	-	-
Central Funding	-	302,974	3,100,000	899,600	-	-	-	-
Grant Funding	-	478,893	521,107	-	-	-	-	-
EC Funding	222,942	630,869	179,153	1,111,066	-	-	-	-
Total Actual	222,942	1,412,736	4,400,260	4,948,166	6,125,000	10,812,500	17,000,000	26,687,500

Exp/Rev Balance	-	179,153	260,326	(0)	575,156	4,833,440	10,560,933	19,604,526
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6. Appendix: 2012 - 2014 Media Coverage

Article	Outlet	Date	Impressions
3 tips for changing your career without starting over *	BizJournals.com	5/21/14	Professor Corrine Gordon shares her top three tips for pulling off a mid-life career switch without starting over.
Looking for an IT Job? You Need These Skills *	BusinessNewsDaily	5/8/14	Professor Jeannie Copley is quoted about skills that IT job applicants need.
Take 4 Steps to Find the Right Online Degree Program *	U.S. News & World Report	5/7/14	Professor Corrine Gordon is quoted suggesting contacting current or recent students when finding the right online degree program.
Starting a business takes more than just a good idea *	The Star Ledger	5/5/14	Professor Dora Donovan advises on tips for starting a business
A matter of degree *	Chicago Tribune	4/29/14	Fred Hurst is quoted about the monetarily advantage of online education programs.
Why has tech been sidelined as women make headway toward gender equality? *	NerdScholar	4/16/14	Professor Jeannie Copley contributes to an article discussing women in the IT industry.
Five Reasons Why Online Learning Rocks *	Zuora	4/4/14	Fred Hurst discusses that affordability represents a

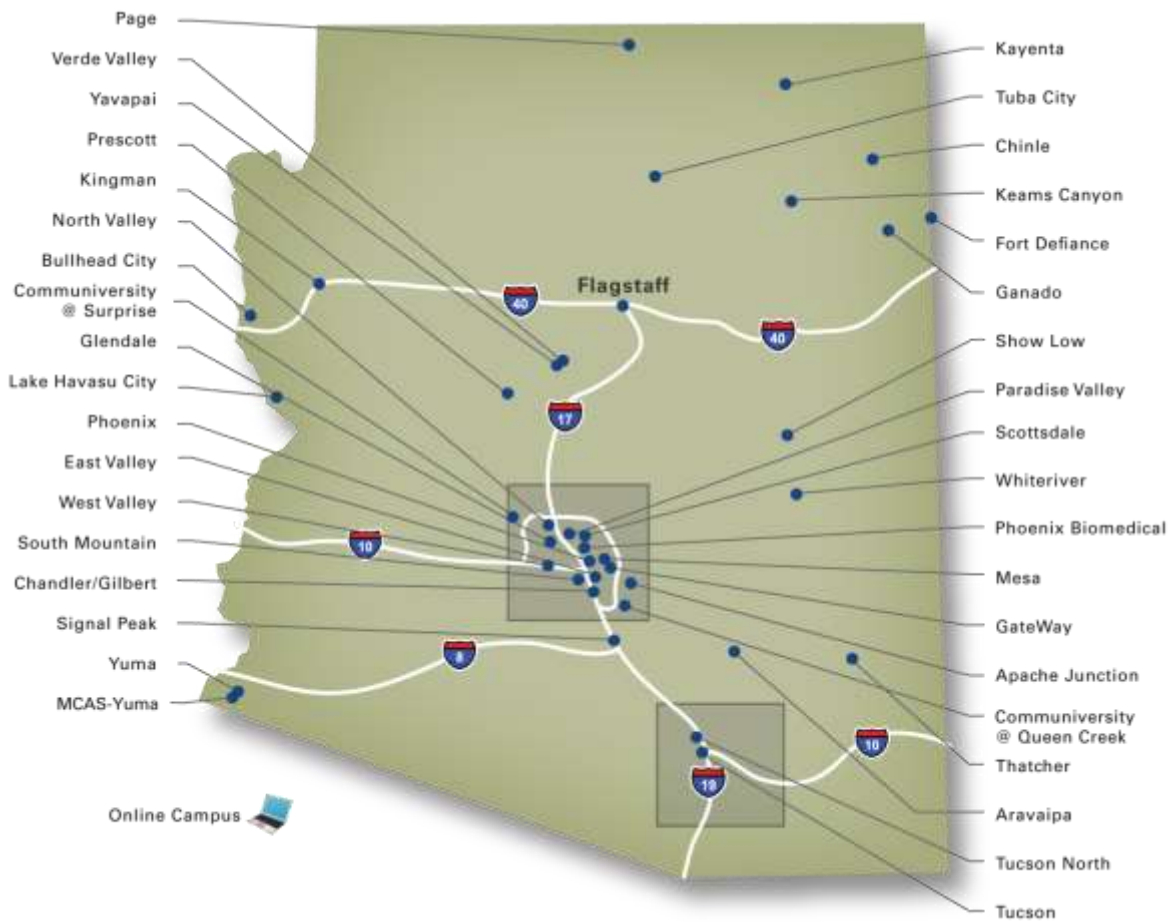
			major benefit for online learning.
North Arizona University Launches Online Competency-Based Degrees*	edCetera	4/4/14	A full-feature story about the Personalized Learning program at NAU.
All-you-can-learn tuition takes off	University Business	4/1/14	PL is included in an article discussing how flat-rate tuition models are being used to better serve nontraditional students.
Textbook Publishers Push to Provide Full Digital-Learning Experience	The Chronicle of Higher Education	3/3/14	Pearson and NAU built three online, competency-based programs together, all of which use Pearson's learning-management platform, LearningStudio.
Educators increasingly wary of online retention rates*	eCampus News	3/1/14	Fred Hurst is quoted offering competency-based education as a way online promotions can boost retention rates.
Direct assessment and the feds take on competency-based education	Inside Higher Ed	2/21/14	Article discusses NAU's "snag" in application for direct-assessment degrees.
Miraculous Together*	EdTech Digest	2/21/14	Alison Brown contributed content
Essay calls for a broader concept of transcripts	Inside Higher Ed	2/10/14	NAU is doing innovative work documenting the student competencies that have been mastered via coursework.
5 Trends That are Reshaping Education and Technology on Campus*	edCetera	2/3/14	Competency-based degree programs is stated as one of five trends that are reshaping education and technology on campus.
Federal government needs to experiment with competency-based education (essay)	Inside Higher Ed	1/30/14	NAU mentioned as one new provider of competency-based education.
Colleges Pitch Possible Experiments With Competency-Based Programs	Inside Higher Ed	1/23/14	NAU is one institution that the U.S. Department of Education is encouraging for experimentation in competency-based education.
Lumina-funded group seeks to lead conversation on competency-based education	Inside Higher Ed	12/12/13	NAU mentioned as one institution that pursued a direct-assessment program.
When a Traditional College Degree Doesn't Make Sense*	About.com	12/2/13	Fred Hurst contributed content
Are You Competent? Prove It.*	The New York Times	10/29/13	Fred Hurst says that competency transcripts do a better job of communicating a graduate's value to employers.
Learning How to Bring New	The Chronicle of	9/30/13	NAU is listed as one of only a

Models Into the Mix	Higher Education		few of the other larger-scale projects in progress or on the horizon of new education models.
Bring Back The Joy Of Learning*	EdTechDigest.com	9/24/13	Fred Hurst contributed content
Universities continue to adopt competency-based learning into their curriculums	Daily Egyptian	9/10/13	Adam Wade is quoted introducing NAU's competency- based learning.
NAU's president to step down in 2015	The Arizona Republic	9/6/13	Mentions that earlier in the year, NAU launched a personalized learning program that allows students to complete degrees through online, competency-based study instead of the typical credit hour.
Capella Gets Federal Approval for Competency-Based Degrees	Inside Higher Ed	8/13/13	NAU is seeking federal approval for competency-based degrees.
NAU's New Program Getting Recognition	Flagstaff Business News	8/10/13	Syndication of article that appeared in Inside Higher Ed .
Need-To-Know-News: Competency-Based Transcripts, a Profitable Online Education Company & Ed Tech Tool 'Vittle'	Online Learning Insights	8/10/13	Blog explores competency-based degrees, highlighting NAU.
Northern Arizona University's new competency-based degrees and transcripts*	Inside Higher Ed	8/9/13	A full-feature story about the Personalized Learning program's competency-based transcript.
Northern Arizona University Launches Three Competency-Based Degrees	Online Colleges.net	7/11/13	n/a
New NAU Online Degree Option	Mesa Community College	7/9/13	Through NAU's PL program, Mesa students can now pursue an accredited bachelor's degree online for just \$5,000 a year.
NAU introduces affordable competency-based online degree option	Mesa Chamber of Commerce	7/8/13	Through NAU's PL program, Mesa students can now pursue an accredited bachelor's degree online for just \$5,000 a year.
NAU Launches New Competency-Based Online Degrees	Transitions	7/8/13	NAU now offers Personalized Learning: self-paced, competency-based online bachelor's degrees for just \$5,000 a year.
Market Differentiation & Cost Saving: The Value of Competency-Based Assessment	EvoLLLution	6/10/13	A much smaller number of schools, including NAU began to focus on assessing how students learn and focus on student competency and

			mastery as the main sellable product.
NAU Unveils Innovative New Online Bachelor's Programs	The Degree360	6/5/13	Just weeks after Georgia Tech's announcement, NAU has unveiled plans for its own low-cost online degree programs.
NAU Introduces Personalized Learning	AzBusiness Magazine	5/30/13	Shorter version of the announcement press release .
Bringing Quality to Competency	The Huffington Post	5/28/13	NAU President John Haeger contributed content mentions PL program.
NAU rolls out online bachelor's degree for \$5,000 per year	Phoenix Business Journal	5/28/13	NAU is launching an online bachelor's degree program for \$5,000 a year, much less expensive option than its traditional degrees offered on its Flagstaff campus.
Northern Arizona U Launches Online Competency Based Degree Programs	Campus Technology	5/28/13	NAU launched a competency-based online degree program using a subscription model for tuition.
It's Time to go Beyond the Credit Hour	Impatient Optimists	5/20/13	NAU is mentioned as one competency-based pilot program.
Competency-based education heats up with new entrants	Inside Higher Ed	4/17/13	Officials from the Higher Learning Commission of the North Central Association of Colleges and Schools announced that they are collecting submissions from four institutions to participate in a direct assessment pilot group, including NAU.
MOOCs on the move at NAU	Arizona Daily Sun	11/27/12	NAU President John Haeger presented possibilities of expanding online education at a campus forum devoted to "institutional transformation."
Competency-based education may get a boost	Inside Higher Ed	10/1/12	NAU's progress with development of competency-based education is mentioned
Competency-Based Online Education: The Rising Tide of College Affordability	e-Literate	8/16/12	NAU named as one pioneer of competency-based model for higher education.
Northern Arizona U. partners with Pearson on competency-based degree programs	Inside Higher Ed	6/11/12	NAU announced its partnership with Pearson to co-develop three online competency-based programs.

The Future of Northern Arizona University's Extended Campuses

Strategic Plan



**NORTHERN
ARIZONA
UNIVERSITY**



Executive Summary

Historically, enrollment at Extended Campuses has grown steadily, but in the last few years has leveled off. To meet the goals the Arizona Board of Regents has set for NAU and to be successful in the future, Extended Campuses must offer the programs students need to better their lives and livelihoods, provide a competitive level of excellence in student services, and maintain the educational quality and efficacy while controlling costs.

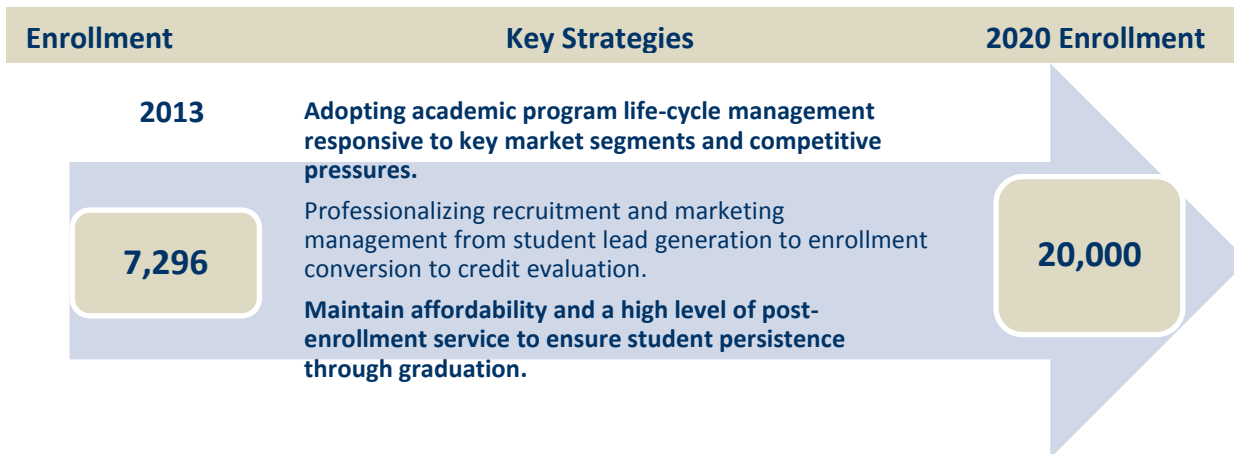
With more options emerging every day for adult learners looking for a non-traditional path to an education, Extended Campuses must be more effective in marketing, recruiting, converting, admitting, enrolling, retaining, graduating and providing lifelong education to our students. This will require changes in university processes, policies and culture. Some changes in Board policy may also be needed.

Strategies identified to meet Board metrics focus on three key areas:

1. Curricular Autonomy and Academic Program Development and Redesign
2. Marketing and Student Recruitment
3. Degree Attainment

Quick Facts – Spring 2014

- 7,300 students
- 35 physical sites
- Delivery:
 - Online or blended
 - Personalized Learning (self-paced)
- 120 programs in health professions, education and counseling, business and administration, computing and technology, math and science, social sciences and criminal justice and the arts and humanities



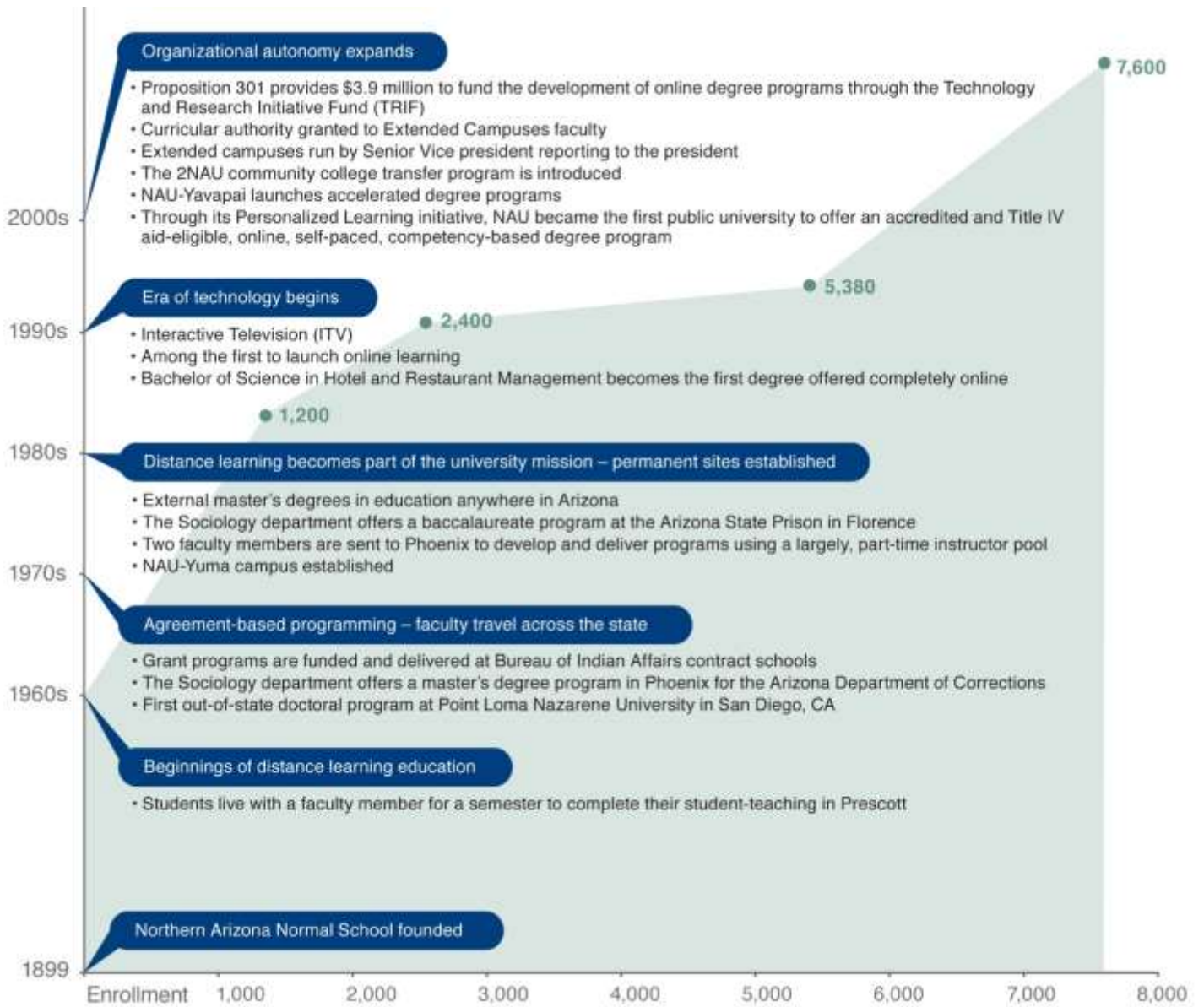
Investments needed to reach the goals

2014	2020
<p><u>Program Development and Redesign</u> (one-time)</p> <p>+\$0.5 million</p>	<p>+\$2 million</p>
<p><u>Marketing and Recruitment</u> (annually)</p> <p>+\$1 million</p>	<p>+\$5 million</p>
<p><u>Degree Attainment</u> (annually)</p> <p>—</p>	<p>+\$0.5 million</p>

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1. History of Serving the Higher Education Needs of Arizona



2. Curricular Autonomy and Academic Program Development and Redesign

KEY STRATEGY: Adopting academic program life-cycle management responsive to key market segments and competitive pressures.

a. Context

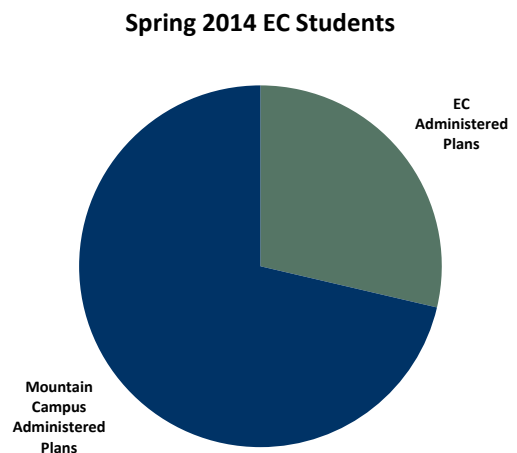
An understanding of the historical context and challenges is important to appreciate the significance of the education extension role the university has played in the state. Serving students at a distance is very much a part of the institutional culture, with most full-time faculty having taught students at a distance in person, via ITV or online.

Today, we offer programs in the general areas of health professions, education and counseling, business and administration, computing and technology, math and science, social sciences and criminal justice and the arts and humanities.

Organizational structures have shifted to meet student needs as academic programs and student services have grown. In the beginning, as the sole provider of programs to students at a distance, the College of Education administered the early distance learning efforts. Other colleges expanded programs. Administration of services was centralized at the university level.

Each college, through the offering department, was responsible for the delivery and supervision of academic program content and faculty. The centralized service unit provided administrative support for technology, operations, student services and coordination. Over time, the demand for degree programs in the state was greater than some colleges or departments had the ability to support.

Some degree programs were transferred to Extended Campuses to administer for both academic and administrative purposes. Other programs were developed and delivered by Extended Campuses faculty. Today, 37% of the academic programs are administered by Extended Campuses representing 29% of the off-campus students enrolled in classes. The Flagstaff departments and colleges administer 63% of the off-campus academic programs serving 71% of the off-campus students.



b. Situation analysis

Growth in business and administration programs to serve the workforce needs of Arizona is now a major emphasis off campus. NAU has also made a major commitment to the allied health professions both on and off campus. The growth of health programs off campus has added substantially to the diversification of Extended Campuses programs. Other workforce demand areas offered by Extended Campuses include social science, criminal justice, arts and humanities and computing and technology.

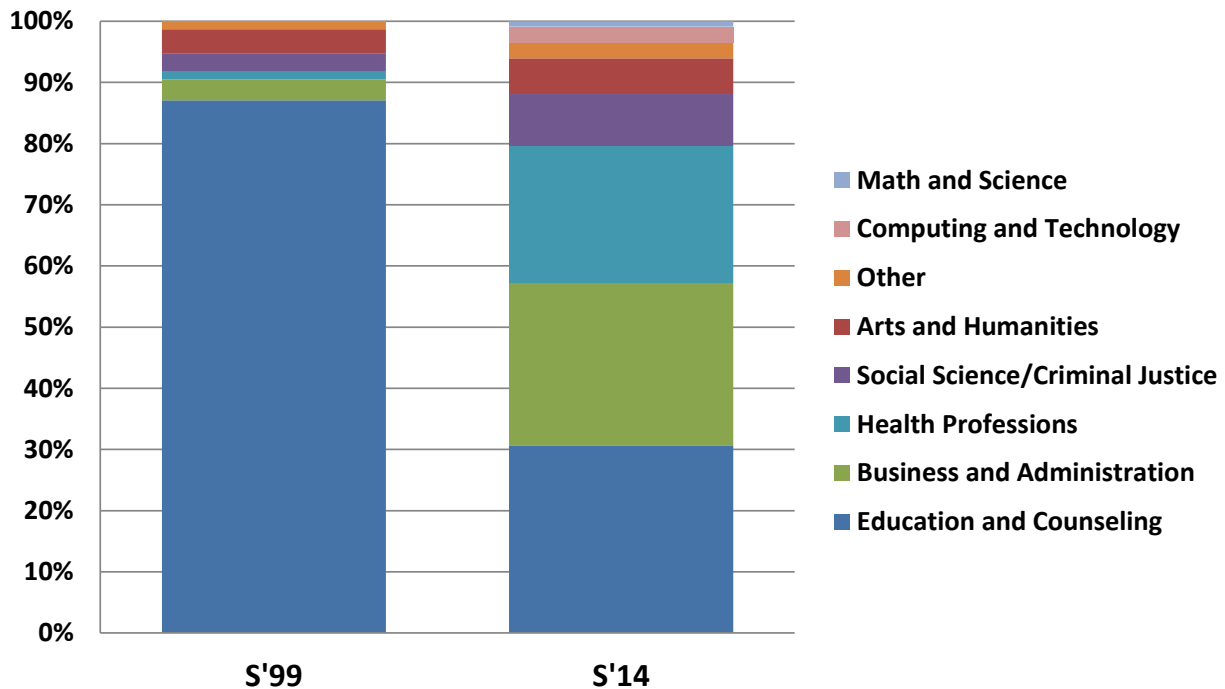


Chart 1: EC Headcount by Academic Category

NAU is nationally known for assessment, including being recognized by the Higher Learning Commission for participation in their assessment academy. Extended Campuses conduct regular assessment both as required by Board policy but also ongoing for continuous program improvement.

c. Road ahead

Organizational Structure

With nearly half a century of experience serving the adult students of Arizona, there is also a commensurate time in which traditions and structure have been institutionalized. Extended Campuses students comprise one-third of the NAU total enrollment. This enrollment growth is indicative of the strategic and political importance of serving students throughout the state. The leadership structure for Extended Campuses has evolved from a dean reporting to the provost, to a vice president reporting directly to the president. Today, a senior vice president leads Extended Campuses and reports directly to

the president. An Associate Vice President for Academic Affairs within Extended Campuses was appointed to provide the oversight of Extended Campuses faculty and curricula.

As Extended Campuses developed deeper expertise in serving non-traditional students, gradually a decision was made to transfer to Extended Campuses some of the programs that enrolled primarily adult students. Over the last eight plus years, additional programs have been transferred and others developed by Extended Campuses faculty to meet specific workforce needs.

An Extended Campuses Conditions of Faculty Service document parallels the Flagstaff campus with similar faculty rights and responsibilities for curricular processes but acknowledges the primary faculty responsibility as teaching and serving students. Undergraduate degrees are developed by faculty and approved through the Extended Campuses Curriculum Committee that mirrors the curriculum approval processes on the Mountain Campus. All degrees meet the university degree and graduation requirements such as general education/liberal studies, diversity, mathematics and writing intensive courses.

The Arizona Board of Regents historic expectations for NAU to serve as the higher education access point for students who could not or would not attend a traditional campus has led to NAU being a national leader in providing options to students. This national recognition is the result of a willingness to adapt and innovate. Like the institution it is a part of, Extended Campuses is a mix of the new and traditional. Over the years, NAU has employed various innovations. When those innovations were no longer effective, others were adopted. Airplanes served a purpose in the early years, but eventually were eliminated as a delivery model. It was the same with interactive television. Some instructional sites have been eliminated due to unsustainable low enrollment; others have been added.

National Models of Serving Adult Students at a Distance

There are three basic types of extended campus organizational models:

- The unit may be embedded in the college or university and managed by the academic department offering the degree both on and off campus (GCU, ASU).
- The unit is an independent academic unit (similar to a department or college) with the faculty governance in place to create, offer and modify degree programs (NAU, Penn State, CMU, Northeastern, SNHU).
- The unit serving adult students online and through other innovative methods is a separate institution within a university system (UMUC) or an independent institution (WGU, and for-profits Capella and Kaplan).

Program Innovation – 3-year Nursing Program

- In collaboration with Maricopa Community College District and Pima Community College
- Students take courses from both—the community colleges and NAU throughout their degree program.
- Maricopa and Pima provide the hands on nursing practicum clinical experiences. NAU provides the advanced nursing courses primarily online.

Academic Programing and Delivery

Academic program authority has brought a host of new responsibilities. Extended Campuses is responsible for the entire student experience, including program development, marketing, first contact with the prospective student, advising, hiring faculty, teaching classes, assessment and graduation. But this is only the case for the 37% of the programs Extended Campuses is responsible for administering.

All other off-campus programs are the responsibility of the Flagstaff departments and colleges. Some rely on Extended Campuses to provide all services except the core academic issues such as program development, teaching, assessment and student concerns. A few colleges and departments take on many more responsibilities including facilities, funding, support personnel and advising. The size of programs can be from a handful of students enrolled at any given time to hundreds of students in a program.

Many of the fastest growing programs over the last few years have been delivered by Extended Campuses: Master of

Administration, Bachelor of Business Administration and Public Management.

Most of the online degrees being offered by NAU are comprised of courses developed by a faculty member using the traditional method of each developing and teaching their own courses. More collaboration developing the Web 2.0 courses in the future will improve the course design efficiency and quality.

Smaller programs, with niche appeal, are well suited for the traditional academic process and management on the Flagstaff campus. Moving forward, however, will require new programs to serve large numbers of students and that is the strength of Extended Campuses.

Over the years, the number of degree options for students has been reduced to simplify the process of advising and improve student completion. Stackable credentials (certificate, bachelor's degree, master's degree in the same subject) have been developed. New programs in the high demand areas of psychology, sociology, biology, environmental sciences, and social work have been launched. Course options for degree programs have been reduced. Multiple start dates in each semester allow a student to start their degree program more quickly and minors have been established using existing courses. Extended Campuses' advantage in being agile, innovative and willing to change serves the needs of Arizonans effectively and efficiently.

Program Innovation – Personalized Learning

- Opened to students May 28, 2013; the first student enrolled June 17, 2013
- Bachelor of Arts programs in:
 - Small Business Administration
 - Computer Information Technology
 - Liberal Arts
 - Bachelor of Science option in all three programs starting in fall 2014
- Enrollment as of May 1, 2014: 155 students
 - Projected enrollment by 2018: 5,000+
- Students may start at any time
- Personalized Learning was honored by the NAU Commission on Disability Access and Design with a Leadership Award for outstanding commitment to the disability community

As online enrollment has grown to 55% of Extended Campuses total enrollment, almost without exception, students complete some of their degree requirements in the form of online courses. Even on campus, the vast majority of students take at least one online course in their college career. The phenomenal growth in online programs at NAU was driven by student demand – they voted by enrolling and paying for this option. For some it is the ideal way to learn, for others it is the only way they can learn. In today’s society adult students need a way to attend college while continuing to work, raising their families and participating in their communities. For a large number of adults, attending traditional classroom courses at the same time every week, in a location that costs valuable time and money to travel to, is not an option. Online is their only option. Increasingly, online delivery, including Personalized Learning, will be the primary way to reach nontraditional students at an affordable cost while maintaining quality.

3. Marketing and Student Recruitment

KEY STRATEGY: Professionalizing recruitment and marketing management from student lead generation to enrollment conversion to credit evaluation.

a. Context

Reviewing enrollment trends over the past fifteen years provides a good understanding of the dynamic between Extended Campuses traditional classroom-based cohorts/ITV and the emergence of online learning.

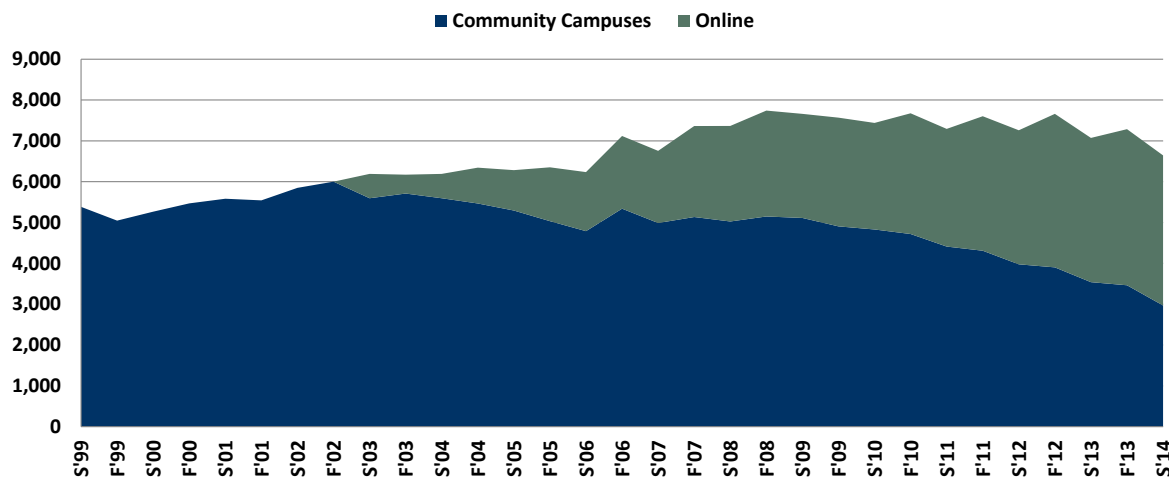


Chart 2: Extended Campuses Headcount

In addition to the shift toward online learning, programs that had been previously popular with students have seen a decline. The steepest decline has been in College of Education program enrollment;

primarily in master’s degree programs (Chart 1). In 1999, 87% of the off-campus enrollment was in education. In 2014, slightly over 30% of the enrollment is in education.

A combination of factors contributed to this decline: school districts that eliminated pay raises for teachers who earned a master’s degree; the high percentage of teachers who were approaching retirement age not wanting to invest in an advanced degree; and intense competition by other universities that provide both classroom-based and online programs with fewer credits required for graduation.

Further breaking down the enrollments by instructional delivery method (Chart 3), shows the history of enrollment on independent trend lines. The steady and then accelerating decline of in-person traditional classroom enrollment is clear. The strong growth of online enrollment is also distinct and the trend line shows the recent two-year decline.

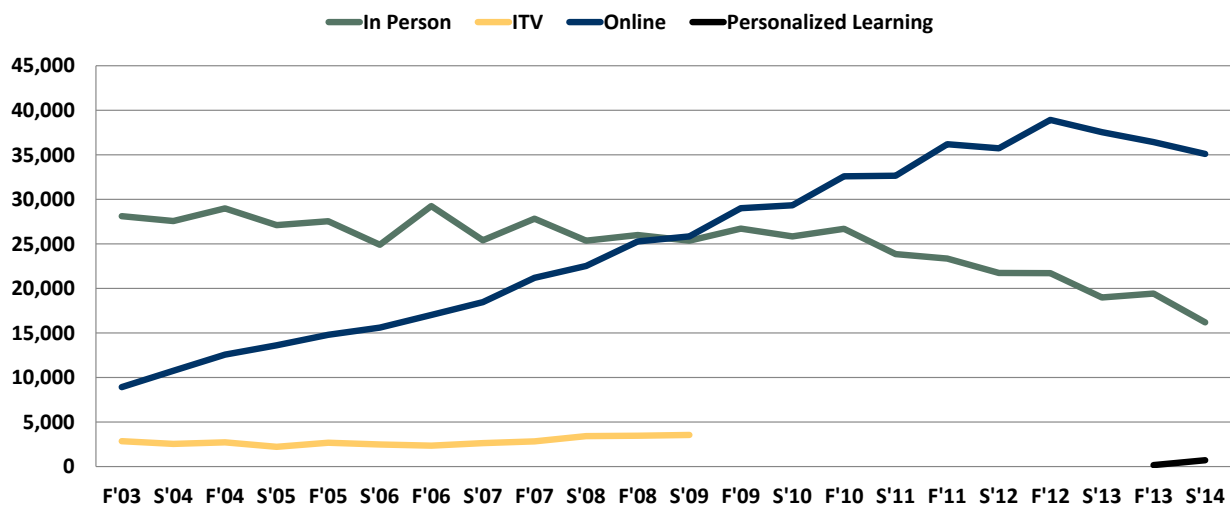


Chart 3: Extended Campuses Student Credit Hours by Mode of Delivery

As enrollments in traditional classroom cohorts declined and online enrollments increased, the role of the community campuses has changed. The designation of a “community campus student” means that students receive advising from one of the sites while their degree program typically includes both traditional, in-person and online courses. Online students on the other hand are almost exclusively enrolled in completely online degree programs and thus rarely take a traditional, in-person class. Their advising and other services are provided through a centralized student service center housed at the Extended Campuses in Flagstaff. The enrollment data by student campus (Chart 4) illustrate just that.

Student Campus	Online Enrollment	Traditional Classroom Enrollment	Grand Total
Online	665		665
Community Campuses	3,010	2,969	5,497
Grand Total	3,675	2,969	6,644

Chart 4: Spring 2014 Enrollment by Student Campus Residency

Another way to analyze enrollment numbers is to consider undergraduate headcount (Chart 5). In fall 2013, Extended Campuses undergraduate enrollment was 4,862, 21% of the total university. The long-term projection for NAU-Yuma and NAU-Yavapai is to increase undergraduate enrollment from 646 to 3,000. Growth in undergraduate students in online and on community campuses throughout Arizona will increase to 15,000 from a 2013 level of 6,640.

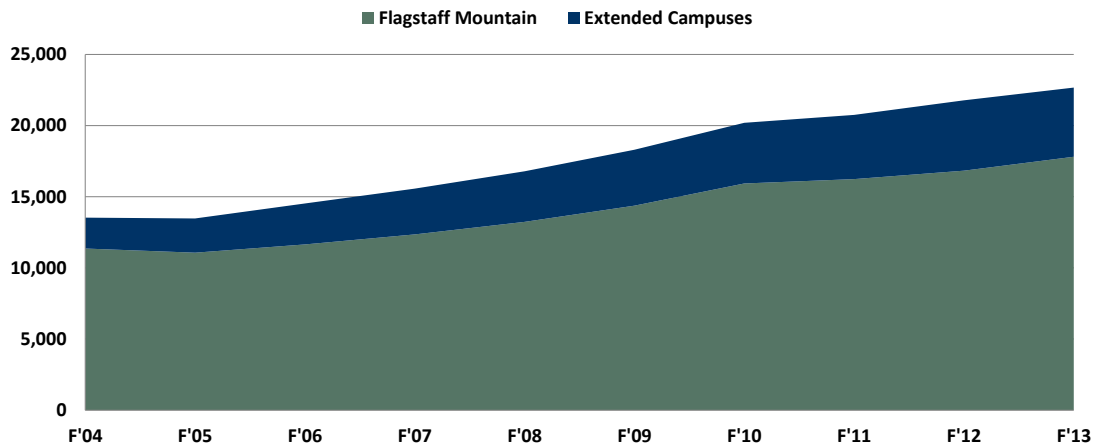


Chart 5: Undergraduate Headcount

b. Situation analysis

The expectations of adult students have changed in recent years. Marketing and student services designed for 18–21-year olds do not work for adult students. For-profit colleges and aggressive non-profit and public institutions have raised the bar ever higher in providing student services.



For example, aggressive institutions utilize service standards such as:

- Increased targeted marketing that is designed to generate prospective student leads
- An almost immediate (20 seconds) call back response once a prospective student provides their telephone number or email address
- Business sales approaches including the use of constituent relationship management (CRM) systems to automatically follow up with prospective students at appropriate intervals

- The ability to admit and enroll a student within 24 hours
- Multiple start dates so that a student may start their first course within two weeks

To improve Extended Campuses’ competitiveness and ensure progress on the enrollment goals, the division adopted a new student services model that parallels the industry’s current standards in the areas of lead generation and recruitment, constituent relationship management (CRM), and marketing.

Over the last two years, the roles of staff statewide have become more proactive, focusing on acquisition of prospective student leads, conversion from a prospect to an enrolled student and retention of current students.

Lead Generation- How We Compare

Comparison of Monthly Spend on Google Pay Per Click (PPC)				
	Grand Canyon	U of Phoenix	ASU Online	NAU-Extended Campuses
Avg. Monthly Spend	\$295,861	\$1,162,796	\$86,101	\$40,923
Avg. Monthly Traffic	11,051	100,514	20,582	11,712
Avg. Cost Per Click (CPC)	\$17.91	\$9.15	\$6.32	\$3.13

Outreach to businesses, organizations and community colleges has intensified. New agreements with the U.S. Customs and Border Patrol and out-of-state community colleges (e.g., Pikes Peak Community College) will provide new pathways for students. Staff’s skills in career advising have strengthened. The in-house-developed CRM system facilitates contact with prospective students to move them to enrollment. Marketing to prospective students has been changed from brand marketing to lead generation, websites were redesigned maximizing search engine optimization strategies and responsive techniques, and a social media marketing focus was established to informally connect with prospective students.

Extended Campuses contracts with external agencies for marketing communications, content marketing consulting, public relations, and media placement. This enables the division to exercise a greater flexibility in testing and changing market strategies and to expand its in-house technical expertise. The shift toward an agile/lean approach for productivity earned the marketing team the University Business “Models of Efficiency” award.

c. Road ahead

Competition for students is radically increasing both on and off campus. According to a Western Interstate Cooperative for Higher Education report last year, Arizona will see a continuing decline through 2019 in high school graduation rates which is the population that makes up the in-state traditional age student pool for Arizona's public universities. A National Student Clearinghouse Research Center report indicates that in both 2012 and 2013 fall semesters there were declines in traditional age enrollment nationally. Arizona projects growth in overall traditional age students, but at a much reduced rate compared with historical data.

Both nationally and in Arizona, the number of adult students is on the increase and has been the primary driver for the historical fast growth of for-profit institutions. However, in the past few years enrollment in for-profit higher education has been declining. According to the National Student Clearinghouse Research Center, enrollment at four-year, for-profit institutions has declined 16.2% from fall 2011 to 1,321,107 in fall 2013.

The competition for both types of students has grown dramatically. Prestigious and top-tier universities have recently started to compete in the adult student market. These late entrants often move quickly into the market by contracting with bundled-service providers for marketing, student recruiting, enrollment, and retention. Some also contract for degree program development. (Accreditors and the U.S. Department of Education restrict the outsourcing of some core functions such as admission, curricular control, faculty oversight and financial aid compliance.)

To specifically expand its online offerings, including Personalized Learning, Extended Campuses plans to further invest in recruitment efforts. A majority of the projected growth in undergraduate enrollment for adult population is expected to come from these efforts. Personalize Learning is growing at a relatively fast pace (more than one learner per day) but is still negligible in terms of overall Extended Campuses enrollment. While the nontraditional students in the past were almost exclusively Arizona residents, with online programs and especially Personalized Learning, the institution is looking at expanding on the national market.

Competitors

- Public examples
 - University of Maryland University College (53,000 students)
 - Pennsylvania State University's World Campus (13,287 students)
 - Central Michigan University's Global Campus (7,200 students)
- Private, non-profit
 - Northeastern University's College of Professional Studies
 - Southern New Hampshire University (32,000 online students)
 - Western Governors University (40,000 students)
- Private/publically traded, for-profit
 - Grand Canyon University (55,000 students)
 - Capella University (35,432 students)
 - University of Phoenix (269,000 students)

Business intelligence project consultants are working to design dashboards and reports to provide real-time reporting of metrics on the student life cycle from first contact to graduation and lifelong learning. Predictive analytics will provide more accurate information on student enrollment trends and on which recruiting efforts are most effective.

The board has been responsive to NAU's request for exceptions and changes to board policies in support of the nontraditional student population. A recent example is the exception to Policy 2-206 A.8., which enables NAU to award credit in Personalized Learning based on demonstrated competencies. As Extended Campuses refines admission standards and transfer credit evaluations, other exceptions or changes to Board of Regents policies may be needed to facilitate providing great student services, especially for the new Personalized Learning (more details in the Personalized Learning Strategic Plan).

Also changes to internal university policy and procedures may be required. For example, NAU is working to change processes to simplify and speed up admission to 24 hours on average by streamlining evaluation of transfer credit, and by improving financial aid counseling, admission and enrollment processes.

4. Degree Attainment

KEY STRATEGY: Maintain affordability and a high level of post-enrollment service to ensure student persistence through graduation.

a. Context

Recruiting, admitting, and enrolling students is only part of a successful strategy to increase degree attainment among the adult Arizona population. Student support, mentoring, coaching, and maintaining tuition affordability are a key to student persistence through graduation.

While the Extended Campuses student population includes more student segments than those that qualify for inclusion in the university's official cohorts, it is nevertheless useful to analyze available data from the retention and graduation perspective. One-year retention rates for lower and upper division off-campus transfer cohorts are very good and hover around 85 and 87 percent, respectively.

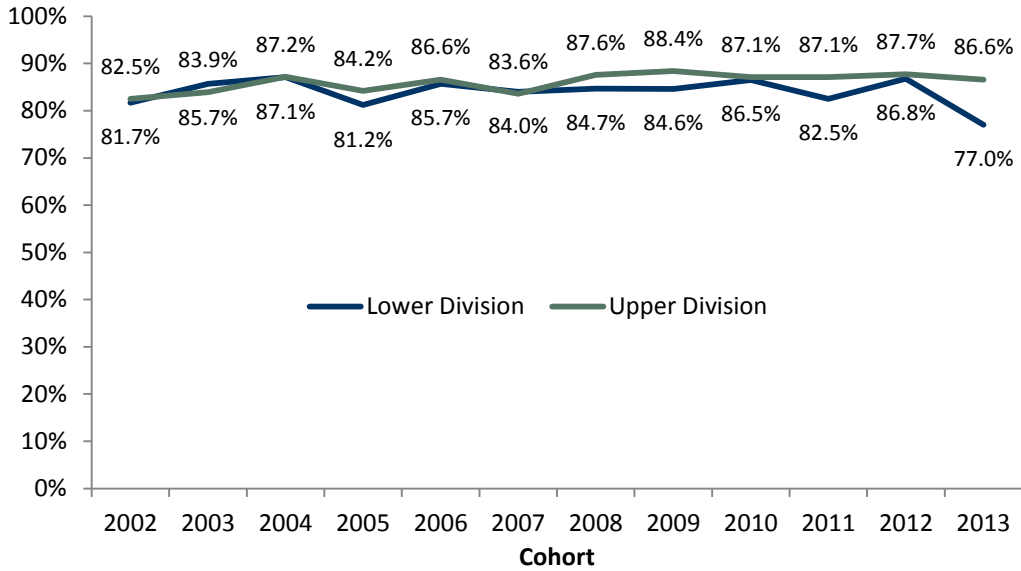


Chart 6: 1-year retention of first-time off-campus transfers

The four-year graduation rate for lower division off-campus student cohorts has been on decline and is about 54 percent for the most recent cohort. The rates for the upper division cohorts have been relatively steady over time, for most cohorts over the years at over 65 percent. Nontraditional students frequently stop out of their programs due to their work or family situation. This is reflected in the off-campus transfer student retention and graduation rates.

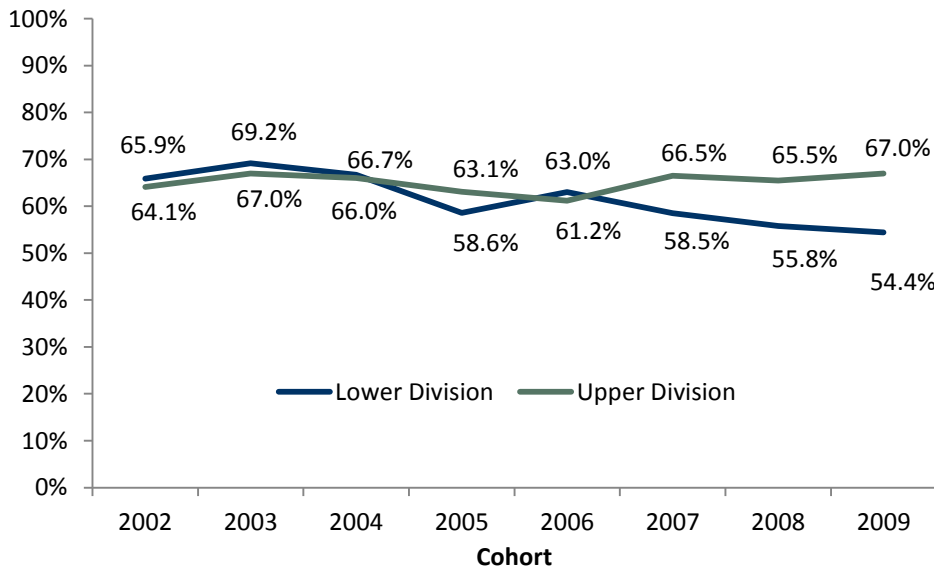


Chart 7: 4-year graduation of first-time off-campus transfers

Historically, Extended Campuses has served primarily graduate students. This is evident from the distribution of awarded degrees (Chart 8). The programmatic focus has shifted over the years from

degrees in education to high demand workforce development programs in business, public administration, and health professions.

Undergraduate	15,093
Graduate	23,499
Undergraduate Certificates	491
Graduate Certificates	986
Grand Total	40,069

Chart 8: Awarded Extended Campuses Degrees (1990-2013)

b. Situation analysis

NAU has longstanding community college partnerships. The strategy of locating community campuses on community college campuses has been further strengthened by the 90/30 degree programs that allow a student to transfer 90 hours of classes from a community college at a lower cost and complete the bachelor’s degree in 30 hours which is the lowest cost baccalaureate option in the state. It is important to

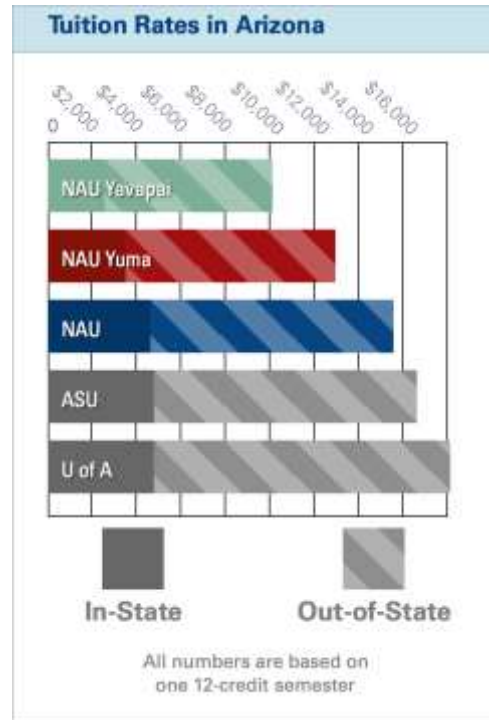


understand that these 90/30 and 2+2 programs, while valuable to the university mission, are financially subsidized by other revenue-positive programs.

Extended Campuses has over time developed a number of low-cost options that offer time- and place-bound students viable baccalaureate degree pathways. NAU’s tuition is the lowest of the three state universities, with Extended Campuses most affordable (all rates are for the 2014-2015 academic year):

- Tuition at NAU Yavapai is \$5,102. Since NAU-Yavapai students attend year-round, the \$5,102 pays for the equivalency of three semesters (45 hours).
- Extended Campuses, Yuma, online and community campus undergraduate tuition is \$6,774 while Flagstaff’s pledge program tuition is \$9,120. EC students pay fewer fees as well.
- Graduate tuition for both campuses is \$8,020.

- NAU’s 90/30 programs average \$6,750 for 90 community college hours and 30 at NAU Extended Campuses rate for a total degree cost of \$17,100.
- The tuition rate that service members pay is \$250 per credit (undergraduate and graduate) which is comparable to the tuition assistance cap.
- NAU’s Personalized Learning program is the lowest cost option in Arizona. The cost for students is \$2,500 per six month subscription (\$5,000 per year) which is all inclusive by rolling in the costs of fees, materials, textbooks, etc.). For a student who finishes in two and a half years the cost is \$12,500.



An important tool that facilitates degree attainment is advising. Once admitted through Extended Campuses, a student is assigned an academic advisor and success coach who helps identify desired career goals, ensures enrollment in the right courses according to the selected degree program, and provides support and guidance throughout the entire academic career. Personalized Learning students have separate faculty mentors who serve as academic advisors and success coaches. For the joint admission 2NAU students advising eliminates most transfer issues and ensures that students take the right courses that apply to their bachelor’s degree. No excess hours means faster graduation.

c. Road ahead

Increasing the number of Arizona adults with bachelor’s degrees to the levels needed cannot be accomplished by increasing traditional age college-going alone. Extended Campuses serves a primarily adult population with an average age of 39 with the primary goal of degree completion. The division exceeds both the national average of 20.8 and the Arizona average of 22.1 undergraduate degrees awarded per 100 FTE students. High productivity is not only important from the university’s financial stability perspective but also reflective of high level of service to students.

	FTE*	Degree Completions**	Completions /100 FTE
Undergraduate	3,608.8	1,492	41.3
Graduate	1,563.2	1,035	66.2

*FTE - based on class campus with Online class FTE allocated based on student campus.

**Degree Completions - based on student campus

Chart 9: AY 2013 Extended Campuses Degrees awarded per 100 FTE

Going forward, maintaining availability of flexible low cost degree options will be critical to keep students on the pathway to graduation as will be providing strong mentoring appropriate to adult student population.

Some specific student segments demand additional attention. To ensure success and increase engagement of the active-duty military and veteran communities Extended Campuses appointed a team dedicated to outreach and relationship development and established a new campus location at the Marine Corps Air Station—Yuma.

Shifting to centralized advising model employs best practices in student engagement in a collaborative culture of advisors and success coaches operating out of the main Extended Campuses location in Flagstaff. While adult students are typically highly motivated to stay on track toward a degree and academic performance is rarely a reason for dropping out, their life and employment situation often dictates their enrollment intensity (mostly part-time) and the necessity to occasionally stop-out of the program. Extended Campuses retention strategies thus focus less on academic performance interventions and more on frequent communication to help student adapt their degree pathway to their personal life situation.

5. Financials

a. Context

The characteristics of individual campuses vary greatly. The NAU-Yuma Branch Campus and NAU's Yuma partner, Arizona Western College, celebrated their 25th anniversary and 50th anniversary respectively this past year. This is a mix of a traditional campus that also supports online degree programs around the state. There have been many successes over the years including new buildings, degree programs, substantial federal grant activity, and recognition as a Hispanic



Photo 1: NAU Yuma

Serving Institution. However, even with substantial increased investments over the last seven years, Yuma has seen declines in traditional classroom enrollment, in part because of the trend of students completing programs online. Also, with a high percentage of low-income population some students find it financially difficult and intimidating to attend.

The online degree programs supported by Yuma continue to grow, with notable increases in Master of Administration, Bachelor of Business Administration and Interdisciplinary Studies - Public Administration

90-30. New high-demand traditional classroom degree programs are planned, especially in the health professions.

The reasons for decline in the Yuma traditional classroom enrollments are being evaluated. The dual role of serving traditional classroom students and providing support for Extended Campuses online and classroom programs throughout the state may be part of the reason. The Yuma community might be better served if the Yuma Branch Campus focuses locally on Yuma students and economic development. However, there are practical implications and issues of control that would need to be addressed before Extended Campuses



Photo 2: North Valley Campus

could assume full responsibility for online and traditional classroom programs in the rest of the state.

The NAU-Yavapai regional campus model was established in 2009 as an affordable and accelerated option. An exemplar in the Lumina Getting Ahead grant initiative, NAU-Yavapai is a collaborative effort with the City of Prescott Valley and Yavapai College. Students attend year round and may complete a bachelor's degree in three years. Courses are a blended mix of traditional classroom and online components. Four bachelor degrees are offered in applied human behavior, service industry management, community development and sustainability, and entrepreneurship. A certificate is also

available in each subject area. Enrollment has steadily grown since inception to 105 students in 2013.



Photo 3: Tucson North

Community campuses vary from very small to relatively large, and are located in small towns and in the major metropolitan areas. Twenty-one are on community college campuses and six are on Native American reservations. Depending on the size of the population, staffing may be limited to a single staff member who provides student services on site once or twice a month, or may be comprised of multiple staff and faculty in residence.

In small towns, the focus is on “grow-your-own” teacher programs and master degrees for teachers in collaboration with the local school district. There are not enough students to offer in-person degrees in other disciplines.

In the larger population areas, there is a sufficient student population to offer other degree programs, including programs in hotel and restaurant management, business administration, communications, interior design, nursing, school counseling, and others.

It bears repeating that, without exception, traditional classroom program enrollment has declined on community campuses. Online programs fit student needs better and the competition is increasing.

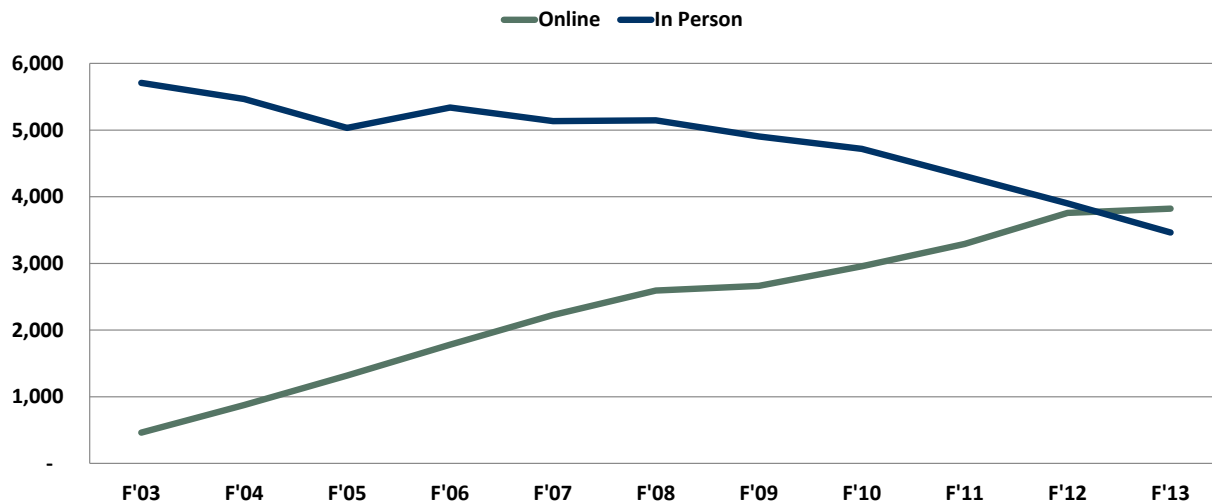


Chart 10: Extended Campuses Headcount

b. Situation analysis

The declining number of traditional classroom cohort students requires ongoing evaluation of the role of community campuses. With fewer students using the classroom-based facilities at community campuses and the high cost of operating those facilities, ongoing analysis of their cost-benefit is required. About half of physical campuses are not revenue neutral. However, examining each individual community campus from a purely fiscal perspective would be a mistake. Instead, considering how the network of physical sites complements the university mission should be taken into consideration. For example, all of the community campuses serve as recruiting hubs and are likely the first point of contact with NAU for learners in the area or on that community campus. Many of the campuses that do not generate sufficient revenue to cover their operating costs play a mission-critical role as sometimes the sole providers of higher education options in Arizona’s rural communities. In areas with spotty telecommunication and lack of broadband internet connectivity, these sites still provide important service. Physical presence especially in tribal areas is also culturally and politically significant. These sites

often play an important secondary role in building relationships with tribal partners and as a conduit for recruitment of traditional age students for the Flagstaff Campus. Public subsidy of the community campuses operation is essentially about \$1.7 million.

Community Campuses	Headcount Fall 2013	Tuition Revenue	Total Expense
Total	3,464	\$17.5 million	\$19.2 million

Chart 11: Fiscal Overview of Community Campuses

6. Conclusion

A day is coming when *every* university will serve adult students with non-traditional models. It's not a question of *if*; it's only a question of *when*. For almost thirty years, NAU Extended Campuses has been at the forefront of innovation in distance education and the primary provider of distance-learning opportunities among the three state universities. This is no longer case.

Hard answers to difficult questions face the institution. The key decision will be whether Extended Campuses should focus on and administer a few, high-demand programs that can be successfully marketed nationally to mostly nontraditional students, while NAU's departments concentrate exclusively on their expertise to serve primarily traditional students. The more nuanced complexities and implications of such decision can be described by the following:

- Focusing on programs in business, public administration and allied health professions and developing other high-demand programs requires reducing the currently high number of low-enrollment programs.
- For niche programs with low enrollments but strategic importance to continue, the burden of funding and support could shift to those departments that wish to continue to offer them.
- Community college partnerships are valuable, but expensive. The 90/30 and 2+2 programs are not revenue neutral.
- As with most innovations, Personalized Learning's success is yet to be proven.

The key to finding these answers lies in balancing autonomy for Extended Campuses. Innovations in business processes and student services, as well as in marketing and advertising, require both recognition and agility. Nontraditional student population is not suited to the brick-and-mortar, hallowed halls approach to processes and services. Extended Campuses has to recognize and refine as quickly as possible every choke point and road block that impedes the ability to provide the best possible education and service to the students.

With an ongoing and expanding commitment to a culture of adaptation, agility and accountability, NAU Extended Campuses will continue its place at the forefront of serving the needs of adult and rural students and meet the strategic goals set by the Arizona Board of Regents in the service of Arizona.

7. Appendix - Extended Campuses Programs (Classroom, Online, and Personalized Learning)

Bachelor's

1. Administration (BAS)
2. Criminal Justice (BAS)
3. Early Childhood (BAS)
4. Emergency Management (BAS)
5. Intelligence Studies (BAS)
6. Law Enforcement Management (BAS)
7. Logistics and Supply Chain Management (BAS)
8. Public Administration (BAS)
9. Technology Management (BAS)
10. Biological and Ecological Sciences (BS)
11. Biology (BS)
12. Business Administration (BBA)
13. Career and Technical Education - Occupational Education 90-30 (BSED)
14. Communication Studies (BS)
15. Comparative Cultural Studies (BA)
16. Computer Information Technology (BA)
17. Criminology and Criminal Justice (BS)
18. Dental Hygiene - Degree Completion Program (BSDH)
19. Elementary Education (BSED)
20. Elementary Education Yuma (BSED)
21. Environmental Sciences (BS)
22. Health Sciences - Allied Health (BS)
23. Health Sciences - Diagnostic Medical Imaging and Therapy (BS)
24. Health Sciences - Medical Assisting (BS)
25. Health Sciences - Paramedic Care (BS)
26. Health Sciences - Physical Therapist Assisting (BS)
27. Health Sciences - Public Health (BS)
28. Health Sciences - Respiratory Care (BS)
29. Health Sciences - Surgical Technology (BS)
30. Hotel and Restaurant Management (BS)
31. Interdisciplinary Studies - Administration (BIS)
32. Interdisciplinary Studies - Applied Human Behavior (BIS)
33. Interdisciplinary Studies - Community Development and Sustainability (BIS)
34. Interdisciplinary Studies - Criminal Justice (BIS)
35. Interdisciplinary Studies - Emergency Management 90-30 (BIS)
36. Interdisciplinary Studies – Entrepreneurship (BIS)
37. Interdisciplinary Studies - Environmental Sciences (BIS)
38. Interdisciplinary Studies - Humanities 90-30 (BIS)
39. Interdisciplinary Studies - Intelligence Studies 90-30 (BIS)
40. Interdisciplinary Studies - Law Enforcement Management 90-30 (BIS)
41. Interdisciplinary Studies - Learning and Pedagogy (BIS)
42. Interdisciplinary Studies - Public Administration 90-30 (BIS)
43. Interdisciplinary Studies – Service Industry Management (BIS)
44. Interdisciplinary Studies - Speech-Language Sciences and Technology (BIS)
45. Interdisciplinary Studies – Technology Management (BIS)
46. Interdisciplinary Studies - Technology Management 90-30 (BIS)
47. Interior Design (BS)
48. Justice Studies (BA/BS)
49. Liberal Arts (BA)
50. Nursing (BSN)
51. Nursing - Option for Registered Nurses (BSN)
52. Parks and Recreation Management (BS)
53. Psychological Sciences (BPS)
54. Public Administration (BA/BS)
55. Small Business Administration (BA)
56. Social Work (BASW)
57. Social Work (BSW)
58. Sociological Studies (BSS)
59. Spanish (BA)

60. Special and Elementary Education (BSED)

Master's

61. Administration (MADM)
62. Applied Communication (MA)
63. Applied Geospatial Sciences (MS)
64. Bilingual and Multicultural Education - Bilingual (MED)
65. Bilingual and Multicultural Education - ESL (MED)
66. Career and Technical Education (MED)
67. Counseling (MA)
68. Counseling - School Counseling (MED)
69. Early Childhood Education (MED)
70. Educational Leadership - Community College/Higher Education (MED)
71. Educational Leadership - Principal K-12 (MED)
72. Educational Leadership - School Leadership (MED)
73. Educational Technology (MED)
74. Elementary Education - Certification (MED)
75. Elementary Education - Continuing Professional (MED)
76. English - General English (MA)
77. English - Professional Writing (MA)
78. English - Rhetoric and the Teaching of Writing (MA)
79. Human Relations (MED)
80. Mathematics Education (MS)
81. Nursing - Family Nurse Practitioner (MS)
82. Nursing - Generalist (MS)
83. Physician Assistant Studies (MPAS)
84. School Psychology (EDS)
85. Science Teaching (MA)
86. Secondary Education - Continuing Professional (MED)
87. Special Education (MED)
88. Special Education - Cross-Categorical High Incidence Certified (MED)
89. Teaching Science with Certification (MAT)

Doctorate

90. Educational Leadership (EDD)
91. Nursing Practice (DNP)
92. Physical Therapy - Entry Level (DPT)

Certificate

93. Applied Human Behavior
94. Assistive Technology
95. Career and Technical Education
Community Development and Sustainability
96. Community Planning
97. Early Childhood Education
98. Educational Technology
99. Emergency Management
100. Entrepreneurship
101. Geographic Information Systems
102. Mathematics Teaching
103. Parks and Recreation Management
104. Positive Behavior Support
105. Post-Master's Family Nurse Practitioner
106. Principal
107. Professional Writing
108. Public Management
109. Science Teaching
110. Service Industry Management
111. Speech-Language Pathology Assistant
112. Superintendent
113. Teaching English as a Second Language

Endorsements

114. Bilingual
115. English as a Second Language
116. Reading Specialist Endorsement

Degree Acronyms

BA – Bachelor of Arts
BS – Bachelor of Science
BAIS – Bachelor in Interdisciplinary Studies
BAS – Bachelor of Applied Science
BSED – Bachelor of Education
BSN – Bachelor of Science in Nursing
RN-BSN – Bachelor of Science in Nursing for associate degreed Registered Nurses
BSDH – Bachelor of Science in Dental Hygiene for Registered Dental Hygienists
BPS – Bachelor of Psychological Studies
BSS – Bachelor of Sociological Studies
BBA – Bachelor of Business Administration
BSW – Bachelor of Social Work
90/30 – Transfer programs - student completes 90 credit hours at a community college and 30 hours at NAU
MA – Master of Arts
MS – Master Science
MADM – Master of Administration
MEd – Master of Education
MAT – Master of Arts in Teaching
DNP – Doctor of Nursing Practice
DPT – Doctor of Physical Therapy

Phoenix Biomedical Campus

Strategic Plan



Executive Summary

Northern Arizona University's enrollment in health professions and related fields has been growing significantly over the years. A strong market demand for degrees in health sciences along with Arizona's need for qualified health care professionals and shifts in national health policies affecting healthcare delivery, drive the university's investment decisions in expansion of allied health programs. The university leveraged the Stimulus Program for Education and Economic Development funds provided by the State in FY2008 to aid in the infrastructure to add three professional graduate programs that no other public institution offers in Arizona.

NAU and the University of Arizona's College of Medicine-Phoenix are creating a new model for an integrated and interdisciplinary approach to health sciences education and research. Innovative in this endeavor is the collaboration and merging of these programs from two universities with distinct institutional cultures onto one campus—the Phoenix Biomedical Campus in downtown Phoenix.

The NAU program portfolio at the PBC includes:

- Doctor of Physical Therapy
- Master's in Physician Assistant Studies
- Doctor of Occupational Therapy

Through a competitive but market-responsive tuition and fee structure, development of new uniquely positioned programs, and collaboration with other public and private partners, NAU projects the allied health program initiative at the PBC to be revenue neutral by 2020.



Financials

Operating Cost in FY2014: \$5.1 million

Revenue in FY2014: \$1.9 million

Projected Operating Cost in 2020: \$9.6 million

Projected Revenue in 2020: \$10.1 million

*NOTE: slightly higher revenue necessary to allow for unanticipated costs and establishment of equipment replacement funds.

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1. Background

The Phoenix Biomedical Campus (PBC) in downtown Phoenix was established through a statewide collaboration, with the guidance of a Governor-appointed commission that included the Arizona Board of Regents, the three state universities, the City of Phoenix, the Translational Genomics Research Institute (TGen) and Phoenix-area teaching hospitals.

The property, donated by the City of Phoenix, was the current site of TGen and historic buildings that once housed Phoenix Union High School. The first building added to this campus was the Arizona Biomedical Collaborative (ABC) research building constructed through a partnership with the UA and ASU. With the support of the state through an initiative entitled SPEED¹ (Stimulus Program for Education and Economic Development), each of the universities were allocated funding for capital infrastructure on the PBC and on their respective campuses.

The economic downturn starting in 2007 resulted in NAU budget reductions of approximately \$60M over a five-year period. Despite a very challenging fiscal environment the university remained committed to addressing Arizona's workforce needs and invested in opening new health programs in Phoenix at the PBC. In August of 2012 the Health Sciences Education Building (HSEB) was opened on the PBC. This facility marked NAU's addition to the Phoenix Biomedical Campus with two initial program offerings:

- Physical Therapy (an expansion of NAU's Flagstaff program) and
- Physician Assistant Studies (the first public PA Program in Arizona).

In the summer of 2013 the inaugural chair for a 33-month doctoral program in Occupational Therapy (the first public OT Program in Arizona) was hired and accreditation was achieved in the spring of 2014 with the first class of NAU OT students beginning this summer (2014).

NAU's initial contribution to the \$135M Health Sciences Education Building on the PBC was approximately \$7.48M and included a lecture hall, a classroom, a learning studio, physical therapy labs, shelled occupational therapy labs, a shelled science lab (originally planned for anatomy), four conference rooms and a suite of offices on the sixth floor, shared use of all common areas including conference rooms, the library, debrief rooms, the cafeteria and student lounges as well as some leased office and conference space in historic building 3.

In 2012, the university provided additional resources to maximize the potential outreach and awareness of NAU's presence in downtown Phoenix and to formally articulate the framework of partnerships among the institutions. After the first year of NAU's programs at the PBC,

¹ The SPEED Initiative authorized \$800M in bonding authority to the three universities and provided 80% of debt service payments from increased state lottery revenues with the universities contributing 20%.

formal agreements were in place, outreach was underway and assessment of potential expansion had been done. Shelled infrastructure existed on the first floor and half of three additional floors and SPEED bonding authority dedicated to the PBC remained at each of the three universities.

Working with UA on the design and construction of the remaining HSEB build-out, NAU was able to add an additional lecture hall, two conference rooms, a learning studio, six simulation suites and ten offices to the HSEB floor plan. Additionally, the shelled anatomy lab has funding set-aside for build-out upon academic program expansion decisions. This additional infrastructure was funded through NAU’s portion of the SPEED initiative at \$8.2M. Construction of this additional NAU space will be completed by July 30, 2014.

2. Road Ahead

a. Market Demand Analysis

In 2012 NAU commissioned a comprehensive market study assessing the growth in healthcare professions to inform health education programming decisions at the Flagstaff campus, the PBC, and through Extended Campuses. According to the U.S. Department of Labor’s Bureau of Labor Statistics, nationally by 2020, the Healthcare Practitioners and Technical Occupations (the series 29 occupations²) are projected to grow by 25.9%, creating 3,591,300 jobs from growth and replacements. At a state level, the Arizona Office of Employment and Population Statistics projects that the series 29 professions will increase by 30.7%, for a total of 7,014 additional jobs in that category due to growth and replacements.

The following table summarizes expected 2020 growth by specific profession.

<u>Profession</u>	<u>Projected Growth</u>	<u>Annual Job Openings by 2020 in AZ</u>
Athletic Training	30%	17
Clinical Lab Scientist	25%	156
Dental Hygiene	53%	215
Health Educators	35%	76
Occupational Therapy	26%	73
Physical Therapy	38%	178
Physician Assistant	41%	95

² As a general rule, the series 29 occupations and professions are characterized by those fields that require post-secondary education at an associate degree or higher.

Registered Nursing	31%	2,210
Speech Language Pathology	22%	108

b. Competition

Despite substantial demand and limited competition, high start-up investment costs to develop health profession programming presents a great barrier for institutions of higher education to expand in these fields. This is not expected to change in the near future, but NAU is well positioned to develop a strong market share and brand awareness to protect its investment should the market conditions and technology change in the long-run.

The following section summarizes the competitive landscape of programs offered by NAU at the PBC.

Physical Therapy

In the mountain region of the U.S. (AZ, CO, ID, MT, NV, NM, UT, and WY) in 2012, there were only 12 accredited and developing programs in Physical Therapy³. Typically more than 99% of graduates find employment within 6 months of passing the licensure exam, indicating full employment of the profession.

Physician Assistant

Within Arizona, there are three accredited entry-level physician assistant programs-- Midwestern University (Glendale), Northern Arizona University (PBC), and Arizona School of Health Sciences (Mesa), with NAU being the only public institution.

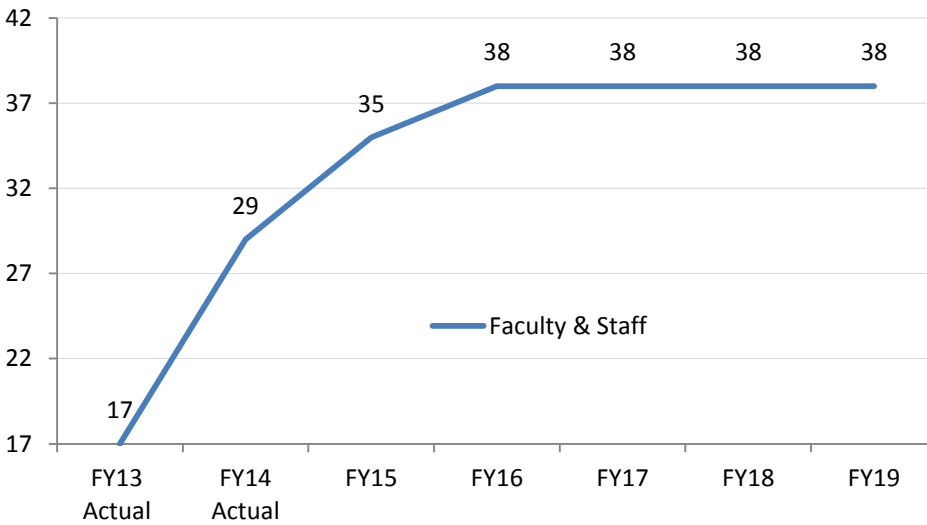
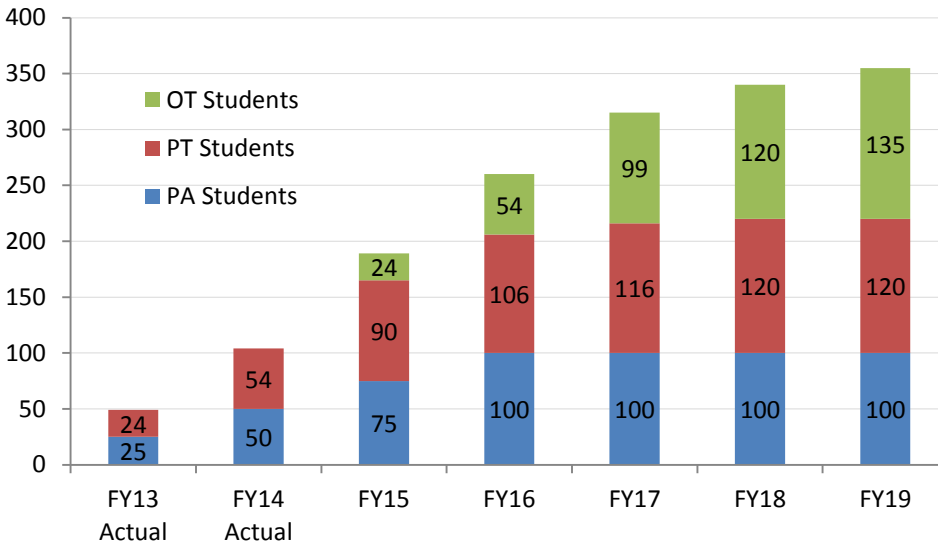
Occupational Therapy

Two existing occupational therapy programs in Arizona are offered by the Arizona School of Health Sciences and Midwestern University. The states surrounding Arizona all have occupational therapy programs: New Mexico (the University of New Mexico in Albuquerque and an accredited weekend program at Western New Mexico University in Silver City); Utah (the University of Utah in Salt Lake City and an applicant for an entry-level doctoral program at the Rocky Mountain University of Health Professions); Nevada (Touro University Nevada in Henderson); and, a number of programs in California.

³ Data from the Commission on Accreditation in Physical Therapy Education

c. Enrollment Projections and Staffing

The three programs offered at the PBC are projected to grow to a total of 355 students by 2020 and be supported by 38 NAU staff and faculty positions plus additional services contracted with the UA COM-Phoenix.

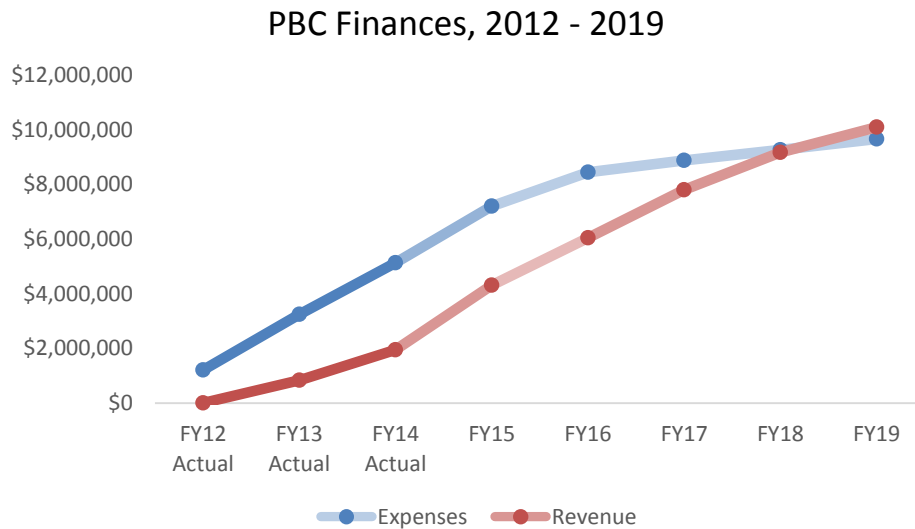


d. Goals and Strategies

The overarching goal for NAU programs at the PBC is to meet Arizona’s workforce needs in the allied health professions field through competitively priced high quality programs that become revenue neutral by 2020.

Pricing

The allied health programs NAU currently offers at PBC are in high demand. They are also high-cost programs. Market –responsive strategy to tuition and program fees will help keep the programming financially feasible for the university to support in the near future with a financial plan for programming to become self-supporting. Moderate annual tuition/program fee increases coupled with enrollment growth will allow reaching the revenue neutrality by 2020. The following chart outlines the path for the three existing programs to be self-supporting.



Program Development

To continue addressing Arizona’s workforce needs the university will evaluate opportunities where labor market shortages or anticipated shifts may warrant development of new programs or expansion of existing ones.

A recently awarded \$1 million gift from the Del E. Webb Foundation is assisting NAU in the Health Sciences Education Building build out at the PBC of more than 45,000 square feet. New laboratory and academic spaces will provide the flexibility to expand health professions education strategically.

Among programs that have a promising preliminary market potential and deserve thoughtful consideration are those that lead to careers in nursing informatics, medical and health services

management, and a number of careers in biotechnology. Additionally, several communities are clamoring for NAU to bring current health professions programs into their community and a distributed learning model or enhanced and focused clinical rotations to serve non-metropolitan community healthcare provider needs deserves full evaluation and consideration.

Partnerships

The Phoenix Biomedical Campus offers NAU several advantages rooted in partnerships: collaboration with a top medical school for shared faculty, equipment and student collaboration; networking with major hospitals to develop clinical rotation opportunities; an attractive site for many students interested in living in a larger city environment; and access to grant resources that focus on the Phoenix metropolitan area, such as the Piper Foundation where NAU recently submitted a proposal for consideration.

Going forward it is the public-private partnerships that will allow for program expansion. New program development, while sharing the fixed cost associated with operating a major facility, will help keep the programs competitively priced.

e. Challenges

Currently the three existing programs are priced very competitively (evidence of which is in a high number of applicants), but the tuition and program fees will need to gradually increase to address goal of self-sustaining program operations. While not anticipated, future more aggressive regional competition or new market entrants may make the goal of achieving revenue neutrality challenging.

As is common in many ventures that depend on collaboration, changes in individual partner's internal or external factors may result in difficulties meeting planned objectives or cost increases. For example, originally the PBC was planned to include the UA Colleges of Public Health and Pharmacy as well as the ASU College of Nursing. Elimination of program offering plans at the PBC or changes in scope to the program offerings at this site due to state budget cuts and institutional decisions resulted in greater operational cost spread across fewer program units at the PBC. The partners are working on managing costs into the future.

Establishing quality clinical rotations with healthcare providers at no-cost to the students or the university has been manageable to date. With increase student enrollment in these programs, however, the cost may become challenging and lead to additional program fees.

f. Other NAU Health Initiatives

NAU's very active health sciences and professions agenda transcends and complements the efforts at the PBC. The university's three-prong focus involves degree programs, research and public service, and infrastructure and partnerships.

Degree programs

Among NAU's highly respected programs are a bachelor's degree in biomedical sciences from the College of Engineering, Forestry, and Natural Sciences and programs offered by the College of Health and Human Sciences, including

- a unique, concurrent BSN program with Maricopa Community College District and Pima Community College,
- completion RN-to-BSN and dental hygiene program that accepts up to 90 community college credits, and
- a master's program in athletic training accredited in 2005.

The university also has a long-standing tradition serving rural Arizona and focusing specifically on underserved populations. NAU has nursing programs in St. Michaels and Yuma and coordinates clinical rotations at Hopi Clinic and Yavapai-Apache facility.

Research and Public Service

With world-class research faculty, including Drs. Keim, Nishikawa, Hungate and a number of others, the university ranks at the top in biology-life science research expenditures among the group of 16 peer institutions. Another area of strength is cancer research. Center for American Indian Resilience and the Partnership for Native American Cancer Prevention are NIH Centers with a strong record of research success.

NAU-operated clinics serve communities and people in northern Arizona who have limited options for quality healthcare. Dental hygiene, audiology, and speech pathology services are delivered to more than 2,000 patients every year.

Infrastructure and Partnerships

A new collaborative agreement between NAU and Northern Arizona Healthcare has been signed recently (February 25th) to work together on healthcare-related research projects, under the title of Translational Healthcare Research Initiative (THRIVE), that will lead to better clinical healthcare outcomes and encourage research on key healthcare challenges. Many emerging research opportunities focus on translational healthcare research issues. These issues range from effective practices for chronic disease challenges among specific Northern

Arizona populations, to behavioral and cultural factors that impact healthcare delivery, to clinical research studies involving microbiome analyses, to common and serious diseases caused by bacterial infections in the community and in the healthcare facilities.

The Interdisciplinary Health Policy Institute (IHPI) improves health in Arizona by advancing evidence-based health policies through research and community partnerships. Each spring IHPI convenes the Colton House Health Policy Roundtable, which brings together university experts with private and public stakeholders to chart a way forward on healthcare and public health issues, including improving patient outcomes, reducing health disparities, and holding down costs.

The Partnership for Native American Cancer Prevention trains Native American students for careers in cancer-related research and healthcare, builds cancer-related research capacity at NAU, and alleviates disparities in cancer in Native American Communities.

Other notable partnerships in the area of health and life sciences include TGen North, Northern Arizona Center for Entrepreneurship and Technology, and Flagstaff Medical Center.

To expand the research capacity, the university invested in the physical infrastructure of the Flagstaff campus, including Health and Sciences building (expected to be completed in August 2015), North Campus Science Laboratory, and biosafety level 3 lab at the Applied Research and Development Building.

Transfer Student Enrollment and Success at NAU

Strategic Plan

NORTHERN
ARIZONA
UNIVERSITY



Executive Summary

Transfer students are high school graduates who enroll at a college, university or any other school and have also earned at least 12 college credits after completion of high school. More than 80 percent of NAU new transfer students are Arizona residents and this report focuses on improving Arizona community college transfer student enrollment and graduation.

Northern Arizona University has been very successful in awarding baccalaureate degrees to transfer students. In academic year 2012-2013 1,652 transfer students graduated with an NAU undergraduate degree and the university is on track to meet the 2020 goals of 3,800 graduates. In the past two years the university has implemented a number of strategies that will help the university stay highly competitive in the years to come:

- **Personalized Learning** that offers the most affordable tuition rate for a baccalaureate degree in Arizona works well for students who complete Arizona General Education Curriculum or earn an associate degree.
- The **2NAU** joint admission programs are now available in collaboration with 19 community college partners.
- NAU staff members are located on nearly every Arizona Community College campus and are responsible for **representing all NAU options** to students who may wish to transfer and attend NAU in Flagstaff, online, or in their local Arizona community. This local presence allows for increased visibility and an active partnership with the community college to design programs and services that benefit transfer and non-traditional students.
- Streamlining and centralizing transfer student and commuter services under the **NAU Transfer and Commuter Connections** umbrella is building a transfer-receptive culture.

The university is currently focusing on and further investing in the following strategies to recruit, retain, and graduate Arizona transfer students:

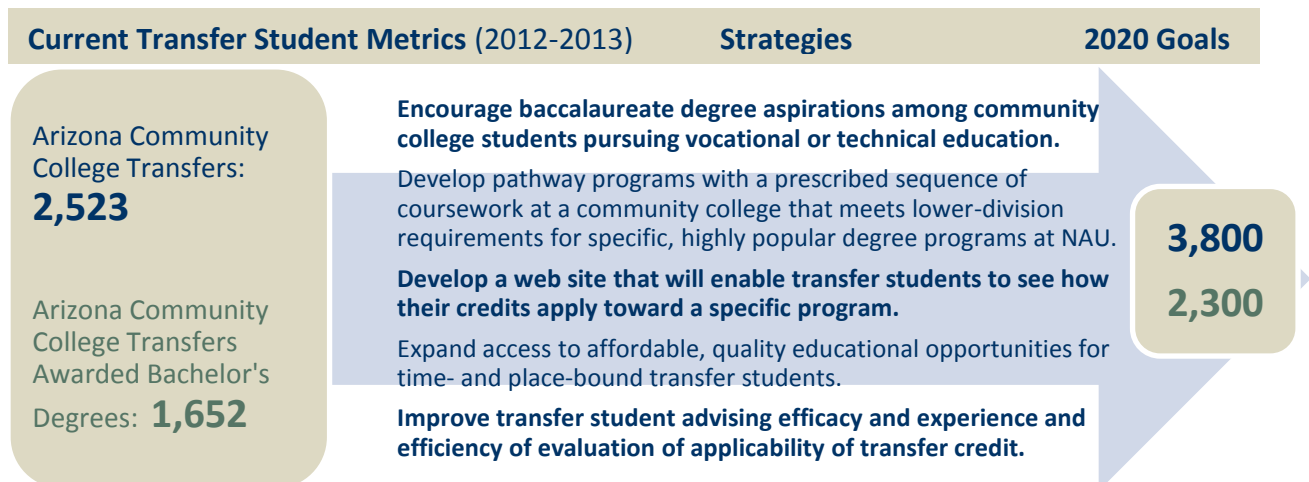


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1. Context and Trends

a) National Trends

The most recent studies from the National Student Clearinghouse Research Center and the National Center for Education Statistics' Beginning Postsecondary Students Longitudinal Study that focus on success of transfer students indicate the following:

- Student Success and Degrees Awarded:
 - 45 percent of baccalaureate degrees are awarded to students who transferred from a community college.
 - Most students transfer from two- to four-year institutions without first receiving a credential from the two year institutions.
 - Baccalaureate degree attainment rates are higher for students who transfer with a two-year degree or certificate (72%) than for those who transfer without a credential (56%).
 - Students attending full time after transfer have a better chance of graduating than those who attend part time (83 percent vs 25 percent).
- Applicability of transfer credit:
 - 14 percent of students start over as four-year institutions accept less than 10 percent of their community college credits.
 - 28 percent lose between 10 to 89 percent of their community college credits.
 - 58 percent of students are able to keep 90 or more percent of credits earned at community colleges

The conclusion of the current research at the national level is that the success of transfer students in earning a baccalaureate degree depends on

- pre-transfer degrees,
- destination institutions,
- timing of transfer,
- and enrollment intensity (part-time/full-time).

b) State Context

Arizona public universities along with the state community colleges operate AZTransfer as a statewide collaboration to help students navigate their higher education options in the State of Arizona. Prospective transfer students can use a number of tools the AZTransfer website offers, including course equivalency guide,

exam equivalency guide, AGEC course search, and major guides. Since 1973 the Course Equivalency Guide (CEG) has provided course transfer information within the public higher education sector. In 2010, Senate Bill 1186 advanced the CEG efforts by mandating a shared course numbering system that has been implemented among Arizona public universities and community colleges. The legislation specifically identified the Arizona General Education Curriculum (AGEC) and common major courses for inclusion in the system because these courses are the most commonly used in transfer and articulation between Arizona's institutions of higher education.

The 2013 Hezel Associates study *Evaluation of Arizona's Transfer System* notes a number of transfer student-related improvements at the state level since their last comprehensive study in 2007:

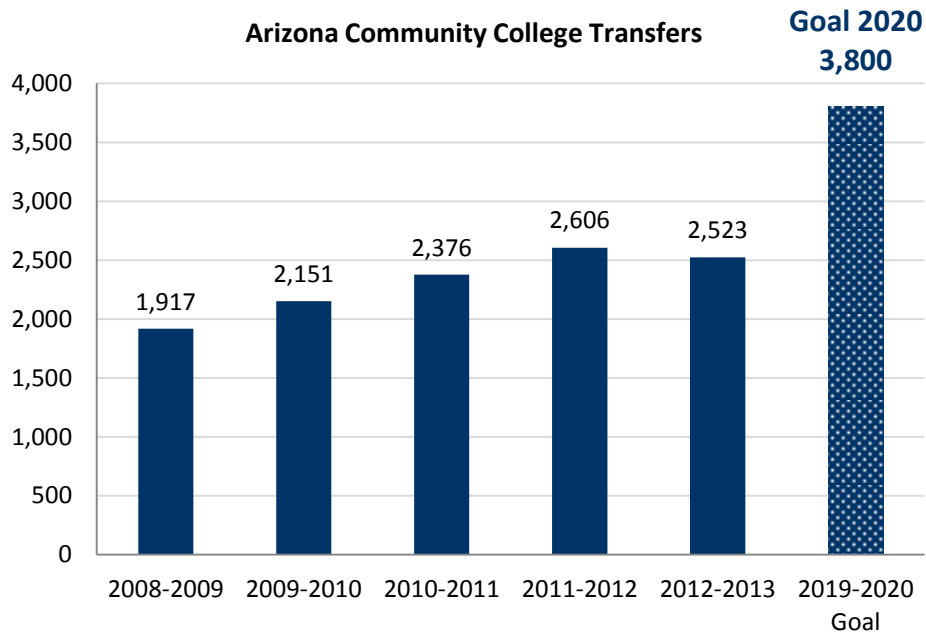
- Increase in enrollment every year since 2006
- Increase in one-year persistence
- Increased efficiency in degree completion.

The study also supports findings of the current national-level research; specifically, that pre-transfer preparation (in this case completing AGEC) has the greatest impact on bachelor's degree attainment.

c) Enrollment at NAU

After years of enrollment growth, the number of Arizona Community College transfers at NAU registered a modest decline in the 2012-2013 academic year—a trend that is projected to continue in 2013-2014 before the enrollments start recovering in 2014-2015. Factors contributing to the temporary downturn include:

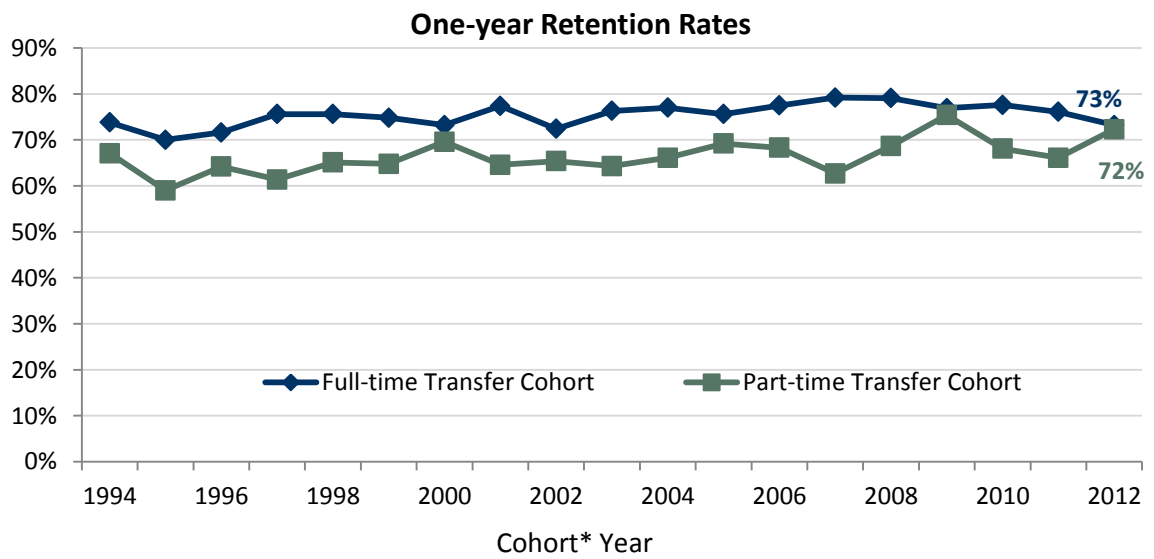
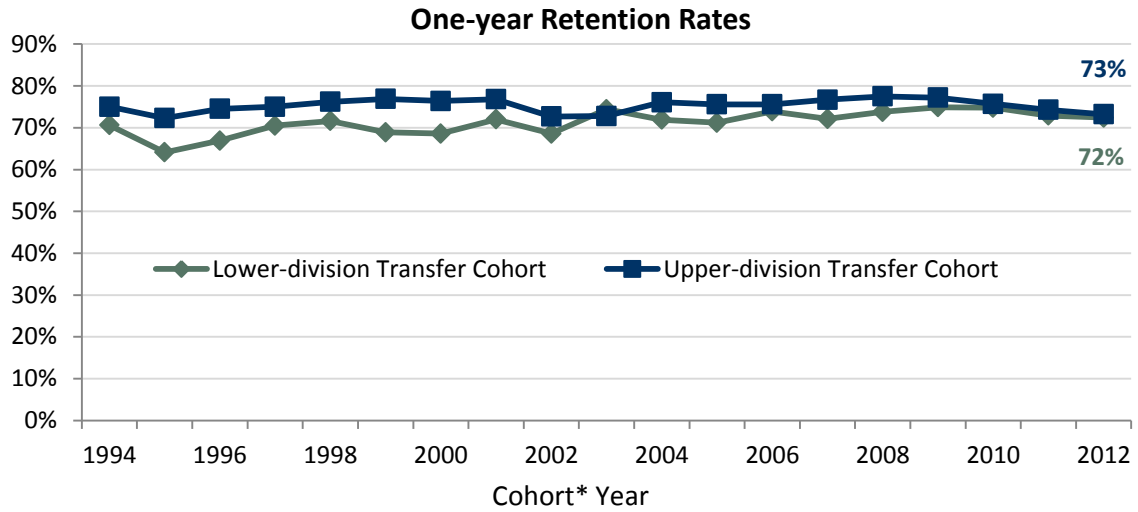
- A decline in Arizona community college enrollment, especially at the two largest community college districts—Maricopa and Pima, starting with the 2011-2012 academic year.
- A decline in the spring transfer cohort for which the growth in the fall transfer cohort could not compensate.
- The decline was primarily associated with enrollment of transfer students at Extended Campuses and especially in education and psychology disciplines.



Although Arizona community college students showed a decline in students entering with 59 or fewer hours, enrollment of those entering with 60 or more hours was up.

d) Retention at NAU

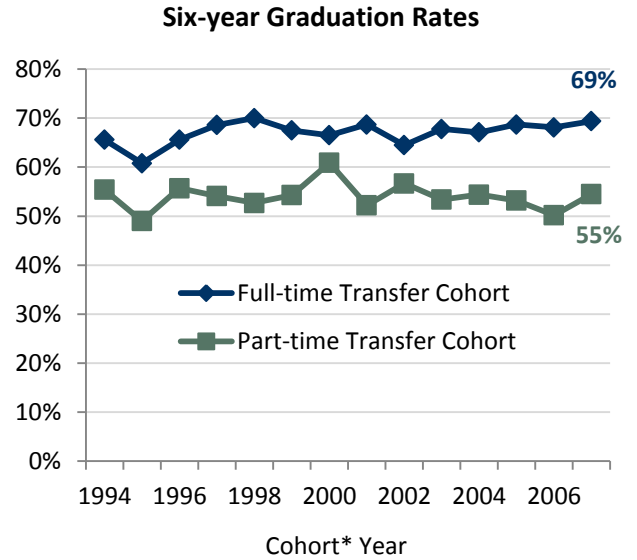
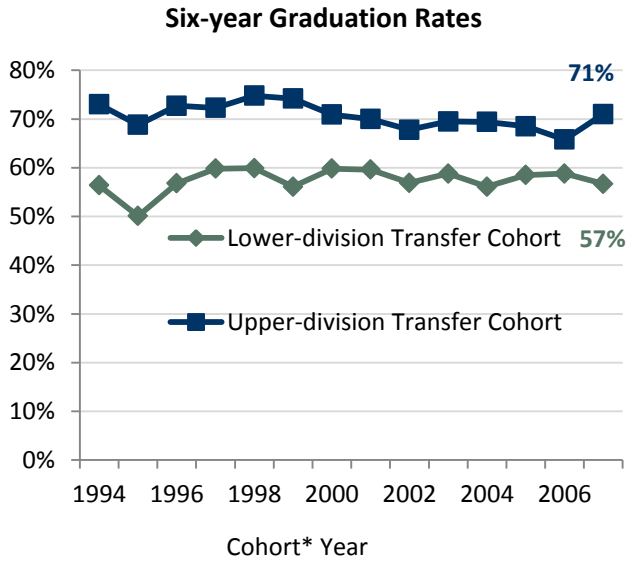
Retention rates of upper-division and full-time transfer students are typically slightly higher than retention rates of lower-division and part-time transfer students. The last cohorts for which data are available, however, show nearly identical retention rates of 72 and 73 percent. The retention rates for the upper division cohorts have fluctuated between 78 and 73 percent and for the lower division cohorts between 75 and 72 percent in the last five years.



* Cohorts refer to all transfer students, not only to those from Arizona Community Colleges.

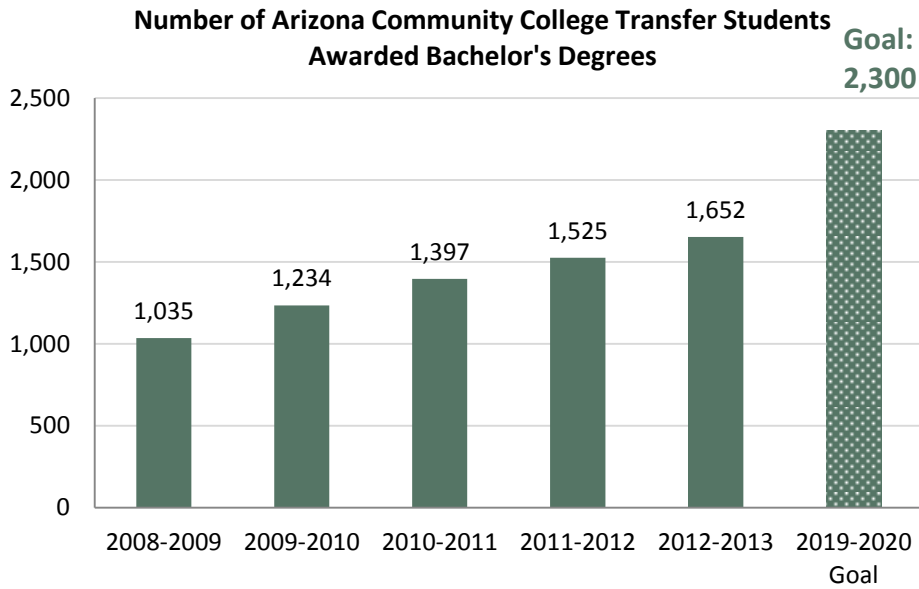
e) Graduation at NAU

Consistent with the national trends, graduation rates tend to be higher for upper-division and full-time transfers. For the most recent upper-division and full-time cohorts, the six-year graduation rates are 71 percent and 69 percent, respectively.



* Cohorts refer to all transfer students, not only to those from Arizona Community Colleges.

The number of Arizona community college transfers graduating with a baccalaureate degree has been steadily increasing, following the enrollment growth of the recent years.



f) Challenges

Through investment in a selective set of strategies the university seeks to address a number of external factors, among them

- declining community college enrollments,
- multi-faceted profile of transfer students,
- maximizing applicability of previously acquired credit to bachelor's degree requirements, and
- changing landscape of educational options for place-bound students.

The university's geographic location coupled with limitations of financial aid is especially challenging when it comes to Arizona community college transfer students and puts the institution in a competitive disadvantage. To mitigate these disadvantages, the university continues to communicate the value proposition of a good fit between the institution and a student and to provide accessible, affordable baccalaureate degree options for place-bound students. The majority of transfer students who attend NAU, attend either online or at one of the community campuses throughout the state.

2. Strategic Approaches

Transfer students are very diverse—some are traditional age students who started at a community college and have baccalaureate degree aspirations, some are adult students enrolled in a community college pursuing a vocational or academic pathway, and yet another category includes adult students who have been working and raising families and have not been part of the academic culture for some time. These student segments are very different from each other and require targeted strategies for recruitment, academic programming, financial and student support.

a) Providing lower cost options

While earning credits at community college makes the overall cost of a baccalaureate degree lower, transferring to the university requires quite sophisticated financial planning skills for those in need. Community college students are typically less likely to apply for financial aid, often because as first-generation students their families have little experience with the complexities of applying for financial assistance. Also, many students pay for community college tuition in Arizona from their discretionary income as the rates are still affordable.

For general financial aid, especially federal and the institutional need-based grants, transfer students are treated as everyone else at NAU. They are packaged on a first-come, first-served basis and since the institution does not have enough discretionary aid

for all needy students, some students receive more than others despite similar financial backgrounds.

In terms of scholarships, NAU's ability to support transfer students is currently very limited. The institution has two modest scholarship options: the 2NAU scholarships go to students in the 2NAU program after they complete their credits at the community college and a Phi Theta Kappa (PTK) scholarship goes to those receiving the same honor at their respective community college. Additionally, the Arizona Board of Regents has set up the All Arizona Academic Team scholarship offered at all three universities. It is essentially a tuition waiver funded by the university receiving the student.

To compensate for lack of direct financial support, the university focuses its efforts on expanding the lower cost educational options benefitting especially place- and time-bound students. The division of Extended Campuses (in the past also called Distance Learning and

Statewide Programs) started as a unit coordinating completion program offerings. The resident undergraduate tuition rate at Extended Campuses is today nearly 30 percent lower than the rate at the Flagstaff campus. Many transfer students also benefit from very flexible 90/30 programs that allow students to transfer up to 90 credits from other colleges. The newest, most innovative and least expensive baccalaureate degree programs in Arizona—competency-based Personalized Learning—serve also transfer students who have completed AGECE or an associate degree.

Providing lower cost options for transfer students and pursuing innovation in this area has been the university's tradition for a long time. While the delivery formats may have changed overtime, the focus remains on an affordable, accessible quality. By 2018 the university intends to serve 20,000 students through affordable degree pathways managed by Extended Campuses (in fall 2013 enrollment off the main campus in Flagstaff was 7,286). A major re-organization of staff in this unit over the last 1.5 years lead to focusing on a pro-active approach to acquisition, conversion, yield, and

Serving Arizona transfer students across the state:

- Community Campuses in 35 locations around the state
 - NAU Yuma
 - NAU Yavapai
- 55+ undergraduate programs
 - 90/30
 - Online
 - Traditional
- Most affordable in Arizona
- Personalized Learning
 - Online, self-paced, competency-based

retention. Closer collaboration with the Flagstaff campus units now means transfer processes for place- and time-bound students are faster and simplified.

Strategy #1: Expand access to affordable, quality educational opportunities for time- and place-bound transfer students.

b) Broadening the pipeline

In fall 2008, the university launched a joint admission and advising program in collaboration with Coconino Community College, known as CCC2NAU. A few semesters later, similar programs (2NAU) were launched on community colleges across the state. All of these programs provide tailored advising to community college students who indicate an interest in pursuing a baccalaureate degree at NAU. While the programs vary a bit from community college to community college, the program participants essentially enjoy seamless transfer and access to many programs and services typically available to enrolled students only.

The joint admission programs have been very successful in attracting students already working toward a baccalaureate degree and so far have served nearly 3,000 students across the state. The next phase in the joint admission programming is focused on broadening the student pipeline by raising other community college students' aspirations.

Strategy #2: Encourage baccalaureate degree aspirations among community college students pursuing vocational or technical education.

The joint admission programs focus on customizing academic career pathways for each individual student, minimizing their cost of a baccalaureate degree and maximizing applicability of their already accumulated college credit. These services, while highly valued, are also very labor intensive. The students that benefit the most from joint admissions intense advising are those with previous college credits or those pursuing highly customized academic career pathways.

One of the greatest challenges in the area of student transfer across the nation is the loss of credit. A key component in Arizona's Transfer System —AGEC—is designed to address this challenge. AGEC, as a block transfer assures fulfillment of Liberal Studies and Diversity requirements at NAU. A recent study of Arizona's Transfer System by Hezel Associates from December 2013 indicates that the efficiency of the transfer system has improved since 2007, as evidenced by fewer credits transferred and fewer total credits at graduation.

To further improve credit applicability for students who start at community colleges as first-time students and are interested in one of the popular degree programs very prescriptive pathway options would be especially beneficial.

Strategy #3: Develop pathway programs with a prescribed sequence of coursework at a community college that meets lower-division requirements for specific, highly popular degree programs at NAU.

c) Admitting and enrolling transfer students with greater efficiency

In the last two years, the Office of Undergraduate Admissions and Orientation has been engaged in significantly improving transfer policies and processes to better serve both new and continuing transfer student populations:

- The process of transfer credit evaluation and verification has been significantly streamlined through improvements in operations creating course equivalency rules.
- Starting in spring 2013 the university developed and implemented an online transfer orientation, helping students with transition to the university.
- In November 2013, a new interactive web page targeting prospective transfer students went live and will impact fall 2014 enrollments.
- NAU has been capitalizing on the tools provided in the CEG system to make it more useful to the prospective student population by displaying courses from institutions outside of Arizona.
- The process to have courses evaluated for transfer credit is being modified to involve more staff. This will allow prospective transfer students to more quickly

understand how NAU will apply their transfer coursework to their selected degree program.

- NAU is building degree audit protocols to identify students that have completed the AGEC, when it may not be indicated on the transcript.

Challenge

Indication of the AGEC completion on students' community college transcripts is not automatic—students have to request AGEC noted on their record. This leads to the university evaluating courses rather than taking advantage of the block transfer.

All these improvements are already making a real difference in the student experience of the transfer process, but more automation is still desirable, especially to provide instant analysis on how previous college credits meet major requirements of the degree a student wants to pursue.

Strategy #4: Develop a website that will enable transfer students see how their credits apply toward a specific program.

d) Ensuring student success

Students transferring from a community college to the university's main campus often face a significant adjustment to a very different institutional culture. Community college classes are much smaller, the campuses are more compact, and the support staff has more time to devote to each student.

NAU has made transformative improvements to build a transfer-receptive culture on the Flagstaff campus and expanded the number of support staff serving students transferring to online programs or to one of the community campuses across the state. With a new unit—NAU Transfer and Commuter Connections—the institution invested in making transition to the university simple and welcoming, connecting students with each other, with campus resources and providing ways to get involved on campus. Peer mentors who themselves were prior transfer students provide additional guidance and assistance. They help transfer students acclimatize to the university and Flagstaff, navigate campus life, and identify resources and tools for success.

One of the key services transfer students need to be successful is timely and effective advising. Some students transfer as undeclared and are served by the Gateway Student Success Center. Those with declared majors are advised by the respective academic departments. The university is in the process of expanding online tools to aid both professional and self-advising. More emphasis is also given to improving standards and consistency of the advising experience across decentralized departments.

Strategy #5: Improve transfer student advising efficacy and experience and efficiency of evaluation of applicability of transfer credit.

3. Recommendations to Explore and Consider

Unlike many other states, Arizona has essentially non-existing state financial aid. Raising private funds for scholarships aimed to attract incoming students (whether first-time or transfer students) is challenging because donors are primarily interested in supporting ongoing students. To recruit new transfer students, Arizona universities would greatly benefit from state financial aid targeting specifically this student population.

Arizona State System for Information on Student Transfer (ASSIST) provides information to assess the effectiveness of Arizona's general education curriculum and transfer articulation model. Development of common protocols to guide universities and community colleges as they develop reverse transfer would better inform transfer student policies and help implement reverse transfer systematically across institutions. Sharing identifiable individual student data and setting minimum required credit attainment prior consideration for reverse transfer will be critical for the reverse transfer efforts at the state level.

The university would benefit from exploring the possibility of establishing a pro-active leave of absence policy that would serve student populations that are likely to stop out of their academic career for various reasons, including military deployment or missionary service. Identifying students that are likely to stop out and pro-actively incentivizing their re-enrollment through tools like tuition freeze and appropriate advising and communication strategies as well as managing their cohort affiliation will help improve their retention and graduation.

Effectiveness of transfer will be improved with stronger guidance for students at the earliest stages of their academic career. NAU plans to develop robust resources for students and community college advisors that lay out curricular pathways from a particular community college to an NAU degree program through Extended Campuses or the Flagstaff campus.

While the university has quite an advanced student data system and analytical capabilities, to drive strategies leading to increases in transfer student enrollment and improvements in student success, a more focused and systematic approach will be needed to transfer student assessment efforts. For example, exploring issues of credit loss and impact of switching majors as they apply to NAU transfer student population is important to improve the cost of education and time to degree completion.