

To: Cecilia Mata, Chair, Arizona Board of Regents  
CC: Arizona Board of Regents  
From: José Luis Cruz Rivera, President, Northern Arizona University  
Date: June 30, 2025  
Re: 2024-25 Transmittal of Annual At-Risk Goal Reports



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I am pleased to submit the enclosed reports to the Arizona Board of Regents (ABOR) pursuant to action taken during the November 7, 2024, special board meeting related to the item titled “Presidents’ Contracts and Notice of Appointment for the Executive Director,” as documented in Attachment B3, “President Cruz Rivera Proposed Annual At-Risk Compensation Goals for 2024-2025.”

Together, the annual at-risk goals adopted for 2024-2025 and the corresponding reports of achievement over the last year represent important steps in advancing the vision, impact, and sustainability of Northern Arizona University (NAU).

Through Goal #1, **Optimizing Excellence within NAU Health Disciplines**, NAU is ensuring that the state of Arizona has a strong pipeline of talented providers in the health professions and behavioral health disciplines. Thanks to a strong trajectory built over the last several years and redoubled efforts in FY25, NAU’s health portfolio is well-positioned for sustainable growth. NAU’s planning framework offers a responsible pathway to growing impact—prioritizing programs that are distinct and have high workforce demand and expanding partnerships to ensure continued impact, success, and financial sustainability.

Through Goal #2, **College Network**, NAU has scaled its statewide A++ partnership ecosystem, conducted in-depth feasibility and planning work for the launch of a new College Network powered by NAU, and began the important work of piloting innovative access-focused initiatives of this model to benefit students throughout the state. This work has yielded tangible innovations that are being implemented and scaled with immediate effect, including reduced credit degree programs, the student-centered Universal Admissions program, and the AZ Ahead and YES programs. NAU’s efforts are more than pilot ready; they are moving forward to ensure Arizonans have more opportunities to earn a credential and excel in the state’s workforce.

Finally, through Goal #3, **Revenue Generation**, NAU is strengthening its financial future and sustainability through planning and early implementation of diversified revenue generating ideas into its operating model. Acknowledging the headwinds facing traditional university funding sources and business models, NAU has taken a holistic approach to leveraging its place, assets, and people to expand existing revenue generating capacities and, importantly, build new structures that will bring in the resources necessary to support our mission and financial future.

The accomplishments across these three areas have set NAU on a strong trajectory heading into 2025-2026, and I look forward to continuing this momentum next year in partnership with the Regents as we continue to strengthen the NAU of today and build the NAU of tomorrow that will serve and positively impact the people and communities of Arizona.

**ANNUAL DISCLOSURE STATEMENT OF AFFILIATIONS  
AND  
OUTSIDE COMPENSATION  
FOR PRESIDENT**

Arizona Board of Regents Policy 6-1101 and the president’s employment require annual disclosure of all organizations with which the president is affiliated and all outside compensation received. Outside compensation includes any consideration related to outside board affiliation, consulting or other services, or provided by a university foundation or university-affiliated entity. However, presidents are not required to report personal and passive investment income.

**Please complete this disclosure form and update this form throughout the applicable fiscal year as information changes.**

**Board appointments, including current and anticipated appointments and any related compensation, excluding payments for honoraria and speaking engagements: *(If no appointment or compensation, state “none.”)***

Name of Organization	Amount of Compensation (if any)
National Advisory Committee for Institutional Quality and Integrity (NACIQI)	None
Arizona Commerce Authority	None
President’s Alliance on Higher Education and Immigration	None
Big Sky President’s Council	None
Arizona State Board of Education	None
American Council on Education (ACE)	None

**Outside employment, consulting relationships and related compensation, excluding payments for honoraria and speaking engagements: *(If no employment, consulting relationship or related compensation, state “none.”)***

Name of Outside Employer or Name of Entity Receiving Consulting Services	Amount of Compensation (if any)

**Other organizations with which the president is affiliated and any outside compensation not otherwise identified above:**

Name of Organization	Amount of Compensation (if any)
American Academy of Arts and Sciences	None


Signature of President 

Date 6/30/2025

Printed Name of President José Luis Cruz Rivera

**CONFIDENTIAL**

To: Cecilia Mata, Chair, Arizona Board of Regents  
CC: Arizona Board of Regents  
From: José Luis Cruz Rivera, President, Northern Arizona University  
Date: June 30, 2025  
Re: 2024-25 At-Risk Goal #1: Optimizing Excellence within NAU Health Disciplines



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This memorandum presents a high-level statement of achievement describing how the incentive goal in reference was met and how NAU will build on this work to continue to advance its mission.

Sections of this memorandum that describe **confidential** personnel or proprietary information are marked appropriately and should be limited to executive session review by the Board.

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**Goal Statement**

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Design a strategic framework for NAU's health portfolio that includes timelines for program development, expansion, and enhancements. Focusing on NAU's distinctive strengths and areas of high workforce demand, the plan should emphasize the requisite resources to realize goals, efficient and effective use of existing resources and site/programmatic assets, mutually beneficial partnerships, operational synergies, and revenue generating potential that will optimize, sustain, and elevate NAU's health portfolio into the future.

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**Goal Status**

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Achieved

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## Executive Summary

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Northern Arizona University (NAU) is advancing a bold and actionable strategic framework to expand and elevate its health professions portfolio in alignment with statewide workforce needs, university strengths, and long-term sustainability over the next five years. Throughout FY25, NAU has taken significant steps to operationalize its vision of doubling health professions graduates by 2030, a priority supported through the Arizona Board of Regents' Arizona Healthy Tomorrow initiative and prior funding from the state's New Economy Initiative that laid the groundwork for NAU's distinctive suite of academic programs in the health professions to flourish.

NAU's health portfolio is broad, high-impact, and growing. Building on the 2023–24 reorganization of NAU Health, which included the establishment of a standalone College of Nursing, the university has prioritized sequenced expansion of high-demand programs in nursing, physical therapy, occupational therapy, physician assistant studies, clinical psychology, mental health counseling, speech-language pathology, and social work. Importantly, these programmatic areas are aligned with acute workforce needs in Arizona, and NAU's offerings are distinctive, with specialization and leadership in PA, PT, OT, and behavioral health disciplines that is unique within the public university enterprise. Beyond this core set of efforts, the groundwork has been laid for NAU to launch a College of Medicine, with relevant design parameters, resourcing needs, and fundamental partnerships in place from FY24 efforts and refined further throughout FY25. Given the current resourcing landscape and prioritization of health professions and behavioral health programs outlined in this report, NAU plans to review the strategic pacing of College of Medicine efforts and pause on further implementation for the next 12-24 months. During this period, focus will be directed toward existing program portfolio's expansion and strengthening, with College of Medicine deployment reserved until new resources specific for that endeavor can be secured, ensuring the university's mission and operations are not compromised.

### Resourcing NAU's Program Expansions

NAU's expansion plans are based on current resourcing levels, with individual program expansion roadmaps described in the sections that follow. Under this framework, enrollment and graduation targets can be achieved with current levels of funding, in some instances with options contingent on additional resources. The plans were developed with responsible approach to scaling that leverages current assets and will over time provide self-sustaining revenue through tuition and fee revenues.

To achieve this, the university has focused on core sites in Flagstaff, Phoenix (North Valley and Phoenix Bioscience Core), and Yuma, with limited other areas of expansion to reduce infrastructure costs. In addition, significant emphasis has been placed on the development and implementation of hybrid and virtual training opportunities that offer an innovative pathway for healthcare workforce advancement without the high costs of physical infrastructure for the university to operate and maintain. This has the added benefit of better meeting time and place bound students throughout the state in alignment with NAU's access and attainment mission.

Importantly, the expansion plan noted here is subject to recalibration should the base funding landscape for the university change. For instance, a reduction to the university's base appropriation would have significant impacts and lead to a prioritized resequencing of expansions at a more modest rate. Likewise, should a multi-year investment in health programs like the NEI program reemerge, NAU would accelerate growth, particularly in on-the-ground programming. SPEED bonding authority also offers a significant opportunity to drive program growth, with NAU's proposed new Nursing Building being financed using this mechanism and enabling significant increases in nursing enrollments in Flagstaff, where NAU must currently turn down a substantial number of applicants each year due to program space.

**Priority Programs**

In order to best prepare for various funding scenarios—both cuts and increases—NAU has identified a core set of programs its top priority to maintain and continue scaling given their impact, operating models, enrollment outlook/market competitiveness, and ongoing workforce demand:

- Health Professions:
  - Nursing
  - Physical Therapy
  - Physician Assistant Studies
- Behavioral Health:
  - Clinical Psychology

In each case, these programs have demand that far exceeds current and future projected capacity and would address critical shortages of health professionals in Arizona.

**Partnerships**

NAU’s growth strategy is deeply rooted in partnership. New clinical placements, shared instructional sites, and collaborative workforce pipelines—especially in rural, Indigenous, and underserved communities—are unlocking access and extending the impact of university programs. NAU continues to work closely with Northern Arizona Healthcare, North Country HealthCare, Ovinda Health, community colleges, and other partners to ensure workforce pathways are aligned with community health needs and local employment opportunities. The university is also coordinating closely with other Arizona public universities to manage site transitions and avoid duplicative offerings—particularly at the Phoenix Bioscience Core, Tucson, and in Yuma. We will explore supporting further expansion of PBC based programs through partnerships with ASU and UA.

NAU has also made significant over the last year in convening partners to sharpen program design and ensure workforce placements in the state for graduates. This includes the NAU Health team convening a Behavioral Health Advisory Council to help inform program design and strengthen placements in this highly distinctive area of NAU’s offerings. Similarly, NAU’s Center for Community Health and Engaged Research (CHER) remains at the forefront in cultivating partnerships across rural, Indigenous, and other underserved communities where NAU has core strengths.

**Impact**

NAU is rapidly scaling its contribution to Arizona’s health workforce, delivering a comprehensive and expanding portfolio of graduates across a wide range of high-demand health fields. As shown in the aggregated table below, NAU’s total health-related degree production is growing rapidly. High in-state placement rates further underscore the university’s deep commitment to meeting Arizona’s healthcare needs—now and into the future.

<b>AREA</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Health Professions	637	646	618	781	948	1109	1145	1212
Behavioral Health	287	278	282	347	413	469	469	482
<b>Total</b>	<b>924</b>	<b>924</b>	<b>900</b>	<b>1128</b>	<b>1361</b>	<b>1578</b>	<b>1614</b>	<b>1694</b>

This growth trajectory is fueled by current investments in infrastructure, faculty, and operational support. With additional targeted investment, particularly in facilities and instructional capacity, NAU is well-positioned to further expand key high-demand, high-priority programs aligned with statewide workforce needs. One constraint on the speed at which programs can be expanded (beyond financial investment) is accreditation. In some cases, rigorous timelines and requirements from accreditors can limit the ability to

expand or launch new sites, with this constraint factored into the university's planning framework.

**Conclusion**

Thanks to a strong trajectory built over the last several years and redoubled efforts in FY25, NAU's health portfolio is strong and well-positioned for sustainable growth. While there are potential challenges on the horizon—particularly around capital investment and the broader financial landscape—NAU's planning framework offers a responsible pathway to growing impact, prioritized emphasis on programs, and continually expanding partnerships to ensure continued success and impact across all programs.

Ultimately, through strategic use of resources, disciplined planning, and strong partnerships, the university remains on track to double its health graduates by 2030. The sections that follow provide detailed descriptions of each program's growth trajectory, timelines, resource requirements, and projected impact. Together, they illustrate NAU's leadership in building a future-ready, talented, high-impact health workforce for Arizona.

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## Health Professions

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The following programs comprise NAU's Health Professions portfolio. As noted in the Executive Summary, the top priority programs for expansion in the health professions domain are Nursing, Physical Therapy, and Physician Assistant Studies. Occupational Therapy is positioned for modest growth and Dental Hygiene is positioned to be maintained but not grown due to cost and market factors.

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### Nursing

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Nursing licensure programs at the undergraduate level that prepare registered nurses and graduate programs that prepare advanced practitioners will continue to grow over the next five years. Undergraduate nursing programming is geographically dispersed across four sites: Flagstaff, Yuma, North Valley, and Tucson. Graduate productivity is enhanced by two accelerated program designs serving baccalaureate and post-baccalaureate students. Compressed programs offer a 16-month pathway to a BSN and eligibility for licensure, serving undergraduate level students who have completed general education and additional requisite requirements. The 12-month post-baccalaureate offers a pathway to licensure to students with a bachelor's degree and requisite course work. Master's level advanced practice programs prepare nurse practitioners in family and psychiatric mental health which address the needs for primary care and mental health services in Arizona communities. The Doctor of Nursing Practice program produces graduates at the highest level of nursing practice.

NAU's College of Nursing has grown program capacities by adding locations, integrating simulation based clinical training, and adding an additional accelerated pathway. By 2028 the traditional, compressed and accelerated pre-licensure BSN programs will grow to a total annual enrollment of over 500. Master's nurse practitioner programs will grow to an annual enrollment of 60.

There is excess demand among Flagstaff undergraduate students for the traditional residential BSN program. Each year NAU turns away well over 100 highly qualified applicants to the BSN program. Further expansion of BSN programs in Flagstaff is contingent upon expansion of instructional infrastructure, either through renovation of the current building that houses the College of Nursing or constructing a new building for the College. The renovation of the current building to increase instructional space is estimated to cost \$6M. NAU's proposed utilization of SPEED bonding authority is to build a new nursing building, which will provide the infrastructure to sustain program growth into the future and offer exceptional training opportunities. This is among the university's top capital project priorities, given its alignment with state workforce needs, enrollment demand, and strategic program growth strategies.

While physical infrastructure is vital to realizing the full potential of NAU's nursing program growth, alternative designs are being considered to reduce the investment required to enable increased enrollment in the Flagstaff traditional BSN and accelerated programs.

In the meantime, College leaders and faculty are developing an additional program model that will expand capacity and access without necessity of investment in infrastructure. The Global Nursing program will enable students who are place and time bound to access a bachelor's in nursing leading to licensure without having to relocate to one of NAU's existing sites. Global Nursing will be a hybrid program that focuses on engaging students in community based clinical education where they live. This program will leverage technology, innovative learning design and strong partnerships in rural communities around the state. The Global Nursing program has potential to increase capacity for pre-licensure admissions by 30 per year.

Nursing program graduates to date and projections to 2030 are summarized in the table below and are

based on adequate physical space.

<b>NURSING</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
BSN	127	147	137	220	262	329	337	365
Nursing-AccelrtdOpt (BSN)	29	29	45	35	30	35	35	35
MS	39	29	3	35	30	35	35	35
Psy MH NP (GCERT)				14	14	24	24	32
Nursing Practice (DNP)	1	3	7	5	11	9	12	15

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**Physical Therapy**

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NAU’s Doctor of Physical Therapy sustains a strong national reputation that generates applications that far exceed capacity (around 800 applications are submitted each year). The DPT program is offered at Flagstaff and at the Phoenix Bioscience Core. Following expansions of program cohort sizes in Flagstaff and the PBC, the program introduced a new hybrid DPT program that expands capacity to grow program enrollment, reduces time to degree, and offers opportunity to time and place bound students to complete a degree in a program that blends online learning, competency based, and technology enhanced learning design with short-term intensive residencies. At full build out, the hybrid DPT program will accommodate cohorts of 100 each year, for a program that takes two calendar years to complete. Investment of 2-3 additional faculty will be required to reach full capacity for the hybrid program. The two residential programs at Flagstaff and PBC admit cohorts of 64 (128 total) each year.

There is also potential to grow the size of the cohorts admitted to the DPT program at the Phoenix Bioscience Core. Expansion of DPT at PBC will require accreditation approval along with renovation to increase the capacity of clinical instructional space. A modest investment of \$1M in renovation of space NAU leases at PBC is forecast to allow the DPT program at that site to admit an additional 16 students in the PBC residential program annually.

Physical Therapy graduates to date and projections to 2030 are summarized in the table below.

<b>PHYSICAL THERAPY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Physical Ther-Entry Lvl (DPT)	98	97	93	124	124	200	212	218

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**Physician Assistant**

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NAU has had a fully accredited Physician Assistant program since 2014. Over time the program has grown to accommodate entry cohorts of 60 students for the two-year program. Recent change to state regulation of PA practice affords experienced practitioners greater autonomy, more like Nurse Practitioners. We expect this will increase the demand and impact of PAs in addressing the dire need for primary care in Arizona rural and Indigenous communities.

Demand for this program far exceeds capacity. There are over 1,000 applications to the program per year. NAU intends to expand enrollment by 14 per cohort, to 74. This will require two additional faculty members and a greater capacity for clinical placements. The program will also need additional space, which is a matter of collaborative negotiation with University of Arizona’s MD program at PBC.

NAU 2024-25 At-Risk Goal #1: Optimizing Excellence within NAU Health Disciplines

NAU’s long term plans once included addition of another site for the PA program—either Flagstaff or Yuma. However, current resources are not sufficient to support the addition of a new site. In the longer term, NAU will likely consider adding a program site in Flagstaff, perhaps in conjunction with NAU’s growing partnership with Northern Arizona Health Care and/or North Country Health Care. Contingent on new funding, this is a priority area of expansion for the university that would accelerate progress toward its health goals.

NAU added a Doctor of Medical Science (DMSc) program in Fall 2024. This online program provides advanced practice training for experienced Physician Assistants. Because DMSc is offered online, growing enrollment is a matter of adding personnel. With 1-2 additional faculty the program is projected to grow to an annual enrollment of 160 by 2030.

Physician Assistant Studies graduates to date and projections to 2030 are summarized in the table below.

<b>PHYSICIAN ASSISTANT</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Physician Asst Studies (MPAS)	41	59	57	60	60	60	60	72
Doctor of Medical Science (DMSc)				20	25	25	30	30

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**Occupational Therapy**

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NAU offers the Doctor of Occupational Therapy degree at the Phoenix Bioscience Core and through a hybrid program with short weekend in-person intensives. The residential program has stabilized at an annual enrollment of 24. The hybrid program has room to grow admission to maximum size of 50 per cohort, with 30 projected for Fall 2025. NAU’s program leads to a doctoral degree, while the competition in Arizona (all from private institutions) offer master’s degrees in occupational therapy. NAU’s program recently redesigned the curriculum to reduce required credit hours and time to degree, which increases the attractiveness of the doctoral option to prospective students.

Occupational Therapy graduates to date and projections to 2030 are summarized in the table below.

<b>OCCUPATIONAL THERAPY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Occupational Therapy (OTD)	46	42	46	46	50	50	52	52

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**Dental Hygiene**

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NAU offers a Bachelor’s in Dental Hygiene on the Flagstaff campus. The program’s enrollment is capped at 190. Without program fees at the undergraduate level, this program operates with a negative net revenue margin. In consideration of resource constraints and the opportunity for students to gain credentials for practice at community colleges (a bachelor’s degree is not required), investing in expansion of the DH program is not currently a priority.

Dental Hygiene graduates to date and projections to 2030 are summarized in the table below

<b>DENTAL HYGIENE</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Dental Hygiene (BSDH)	30	27	30	32	32	32	32	32

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**Speech Language Pathology**

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The Department of Communication Science and Disorders offers an undergraduate degree and certificate leading to licensure as a Speech Language Pathology Assistant (SLPA). The BS program is offered in Flagstaff and online. The certificate is offered online. With a shift from a legacy BS in Communication Science and Disorders degree program not aligned with requirements for the SLPA, to the BS CSD SLPA track, the projected enrollment is 410 by 2030.

With Arizona Health Tomorrow investments, coupled with partnerships forged across northern Arizona, Yuma, and the Phoenix metro area, enrollment in the MS in Speech Language Pathology will grow to 344. This includes the traditional program in Flagstaff, and summer part-time programs in Flagstaff and Yuma.

Speech Language Pathology graduates to date and projections to 2030 are summarized in the table below.

<b>SPEECH LANGUAGE PATHOLOGY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Clin Spch-Lang Pathology (MS)	57	63	69	68	70	70	74	74
CSD BS	90	89	95	81	120	120	122	122
Spch-Lang Path Asst (UCERT)	79	61	36	41	120	120	120	130

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**Behavioral Health**

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The following programs comprise NAU’s Behavioral Health portfolio. While smaller than NAU’s Health Professions portfolio, this is an area of distinctiveness for NAU, with leadership in the Arizona educational marketplace for offering advanced training in behavioral health disciplines. The priority program for growth moving forward is Clinical Psychology (PsyD), with an additional site in Tucson offering opportunity for substantial growth. Other programs have more modest growth plans to ensure sustainability in the years ahead.

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**Clinical Psychology**

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NAU’s Clinical Psychology program (PsyD) is offered at the North Valley facility. With investments from Arizona Healthy Tomorrow and the former New Economy Initiative, the program has experienced growth since its inception and is now at full capacity. Beginning in fall 2025 onward, the PsyD will admit entry cohorts of 40, for a total annual enrollment of 200. The program is on path to accreditation by the American Psychological Association. Following the next evaluation by the APA in 2026, NAU would be in position to add another clinical psychology program site, contingent on substantial investment in faculty and facilities, with Tucson as a leading candidate due to population and demand. While this is not factored into the existing growth plans, additional investment would allow for eventual growth to a second site and doubling of total enrollments for PsyD offerings by NAU.

Clinical Psychology graduates to date and projections to 2030 are summarized in the table below.

<b>CLINICAL PSYCHOLOGY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Clinical Psychology (PSYD)		5	3	25	30	35	30	35

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**Clinical Mental Health Counseling**

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NAU’s MA in Clinical Mental Health Counseling has expanded to North Valley, Tucson and Yuma. Annual enrollment in this program by 2028 will be 250, which is double what it was in 2021. The Yuma program was the most recent addition, launching in Fall 2024.

Clinical Mental Health Counseling graduates to date and projections to 2030 are summarized in the table below.

<b>CLINICAL MENTAL HEALTH COUNSELING</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Cl Mental Hlth Counseling (MA)	37	50	37	55	75	85	85	90

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**Combined Counseling/School Psychology**

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Offered exclusively at NAU’s Flagstaff campus, the PhD in Combined Counseling/School Psychology has sustained annual enrollment of around 30. With a reduction in university funded graduate assistantships, the projected enrollment is forecast to drop slightly (to 28). If there is a restoration of two university-funded graduate assistantships, the program could grow to a total of 38 students.

The Combined Counseling/School Psychology graduates to date and projections to 2030 are summarized in the table below.

<b>COMBINED COUNSELING/SCHOOL PSYCHOLOGY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Comb Couns/Schl Psych (PHD)	2	2	7	5	6	6	5	5

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**MEd Applied Behavior Analysis**

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NAU will begin offering the MEd in Applied Behavior Analysis starting in Fall 2025. This online degree program will prepare graduates for practice in an array of settings, including healthcare, behavioral health, educational, and residential. The new program will be applying for accreditation under new standards which are fully in effect in 2032. NAU will be the first university in Arizona to have a program accredited by the Association of Professional Behavior Analysts (APBA). Annual enrollment in this program by 2028 will be 60.

Applied Behavior Analysis graduates to date and projections to 2030 are summarized in the table below.

<b>Med APPLIED BEHAVIOUR ANALYSIS</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Applied Behavior Analysis (MED)	35	67	96	96	96

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**School Counseling and School Psychology**

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NAU 2024-25 At-Risk Goal #1: Optimizing Excellence within NAU Health Disciplines

The MEd in School Counseling is offered in Flagstaff and the North Valley. It was expanded to North Valley with funding from the NEI. The program has capacity to grow and there is a high need for school counselors in the state, providing opportunities to recruit more students into the program contingent upon capacity. The total program enrollment for North Valley and Flagstaff are projected to grow to 62 by 2028.

School Counseling and School Psychology graduates to date and projections to 2030 are summarized in the table below.

<b>SCHOOL COUNSELING &amp; SCHOOL PSYCHOLOGY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Counseling-Sch Cnslng (MED)	7	15	19	5	6	12	15	15
School Psychology (EDS)	20	13	13	15	15	18	20	20

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**Social Work**

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Bachelor’s and Master’s programs in Social Work lead to licensure for practice in a wide array of settings. Licensed social workers contribute to healthcare through provision of clinical behavioral health care and through work in hospital and community settings in which social workers support community health, care coordination, and transitional care planning. Clinical social workers also provide services in school settings that address the mental health needs of students of all ages and coordination of services for students with disabilities.

NAU offers the BSW degree in Flagstaff, Yuma, and Online. Two MSW programs are offered online. The Advanced Standing MSW program admits students who have earned an accredited BSW degree into a program that may be completed in 12 months. A Healthcare emphasis was recently added to the Social Work MSW online program to meet healthcare workforce needs. A traditional two-year MSW program, open to students with bachelor’s degrees from any field, as well as an advanced standing MSW are offered on the Flagstaff campus. Online social work programs have grown substantially following launch, though enrollments have now plateaued as other online competitors enter the market. As of Fall 2024, the BSW programs enroll nearly 600 students and the MSW programs another 100.

Consideration is being given to offering a hybrid advanced standing MSW program at NAU Yuma to sustain an accessible pathway for Yuma BSW graduates to advance to the graduate degree. NAU will coordinate its expansion of the MSW into Yuma with the phase out of the ASU program there. With a new program site and development of a dual degree pathway for students to earn the MSW and Master’s of Public Administration, NAU expects further growth at the graduate level through 2030 with existing program resources.

Social Work enrollments and graduates to date and projections to 2030 are summarized in the table below.

<b>SOCIAL WORK</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
BSW	162	134	132	132	136	136	136	136
MSW	59	59	71	75	78	81	82	85

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To: Cecilia Mata, Chair, Arizona Board of Regents  
CC: Arizona Board of Regents  
From: José Luis Cruz Rivera, President, Northern Arizona University  
Date: June 30, 2025  
Re: 2024-25 At-Risk Goal #2: College Network



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This memorandum presents a high-level statement of achievement describing how the incentive goal in reference was met and how NAU will build on this work to continue to advance its mission.

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**Goal Statement**

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Building on the work conducted by NAU and ABOR during FY24, in collaboration with ABOR, NAU will pursue the elaboration of its access ecosystem by piloting key design features of the innovative low-cost, NAU associated model. Further development of each initiative will emphasize increasing access for Arizonans to higher education. Evaluation of goal completion will be based on (a) the extent of scaling of the A++ partnership ecosystem, and (b) the extent to which elements of the alternative model are pilot-ready.

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**Goal Status**

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Achieved

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**Executive Summary**

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Throughout FY25, NAU has worked in partnership with ABOR staff to advance efforts to expand its access mission for Arizona. This work has included scaling the Arizona Attainment Alliance (A++) partnership ecosystem; designing and implementing innovative approaches to academic program delivery, credentialing, and student supports; and conducting feasibility studies and designing implementation frameworks that can be leveraged should conditions allow for the launch of an NAU-affiliated new public offering—the College Network.

These efforts have been focused on broadening public postsecondary options to students who have not traditionally sought or had clear pathways to attainment, including transfer, adult, and some college/no degree learners. NAU's approach to this initiative has been grounded in an incremental, iterative strategy—building partnerships, piloting efforts, reviewing impact, and scaling accordingly. In so doing, the university has been highly efficient in resource utilization while elaborating on the partnership system design, launching novel programs to drive attainment, and laying the groundwork for an innovative college model.

This work has yielded tangible innovations that are being implemented and scaled with immediate effect, including reduced credit degree programs, the student-centered Universal Admissions program, and the AZ Ahead and YES programs. NAU's efforts are more than pilot ready; they are moving forward to ensure Arizonans have more opportunities to earn a credential and excel in the state's workforce.

Emerging from this process, NAU has carefully weighed data on the novel market and its viability to yield, along with broader contextual factors, including state and federal financial pressures, demographic trends, uncertainties around Pell grants, and more, and suggests a strategic pivot from implementation of the College Network to a more sequenced framework to incubate, deploy, and scale innovative features within NAU's existing infrastructure. Such an approach will ensure that key benefits of the design work are realized quicker (for student consumers) and at lower risk/lower cost (for the university) to maximize returns on investment. Starting up a College Network involves significant risk, including high startup costs, the need for new state investment (which would compete against existing state investment priorities for the university), potentially to draw students from the university's existing enrollment pool, and, under optimistic models, run an operating deficit for at least five years until maturity.

Given this recommendation, NAU is poised to engage in a prioritization and strategic pacing review of its statewide and online offerings, which will be a component of an FY26 at-risk goal. By focusing in the near-term on increasing the efficiency of delivery, matching NAU assets across its statewide, online, and hybridized programming infrastructure with A++ partners for maximum impact, and building out key identified features of the College Network rapidly and at low cost, NAU plans to continue this work while minimizing financial and operational risks. Over the next 12-months, NAU anticipates consolidating and streamlining its statewide sites and offerings, building out a portfolio of reduced credit degrees that offer low-cost workforce-aligned outcomes for students statewide, further adapting admissions standards to best meet postsecondary demand, and refining and scaling a tailored student support model designed for populations not immersed in the Flagstaff campus.

Finally, such an approach, when combined with the substantial body of planning and design work already conducted, positions NAU to deploy a College Network model if and when conditions allow for the launch of a novel provider in the state. Optimized assets developed over the next two to four years could serve as the core for launch and be pivoted from NAU statewide/access components to the foundation of the College Network. This approach minimizes risk during a period of uncertainty, stewards resources to maximize returns without need for a significant new investment, and drives forward impact for students

throughout the state.

In the sections that follow, the workstreams conducted across two key domains are enumerated, which are aligned with collaborative work with ABOR staff as well as iterative consultation and updates shared with the Regents conducted during standing Reviews of Assignment.

### **Scaling of A++ Partnership Ecosystem**

NAU has effectively piloted and begun robust scaling of several attainment-focused initiatives across its statewide access-focused endeavors and A++ partnership ecosystem. These initiatives will power opportunity in Arizona's statewide educational landscape and can serve as proof points for College Network features. Key workstreams are as follows:

- **Reduced Credit Degrees**—NAU is launching reduced credit bachelor's degrees, which were identified as a key feature from the FY24 College Network design report. The distinct value proposition afforded by accelerated options, offered with flexibility and efficiency at statewide sites, will be a key part of NAU's non-Flagstaff strategy to engage students and provide clear, affordable, workforce-aligned degree offerings.
- **Universal Admissions**—now scaled throughout the A++ system, Universal Admissions ensures no applicant to NAU is denied and all are offered a pathway to attainment via a community college partner. For the 2025-26 academic year, more than 950 students have confirmed interest in participating in the program at community colleges statewide. In addition, transfer yield efforts are underway to ensure Universal Admissions students are supported by, transfer to, and ultimately graduate from NAU.
- **Reverse Transfer and Reengagement Initiative**—NAU is working with a technology partner to deploy a robust reverse transfer initiative across the A++ system. If successful, this program could award upward of 1,600 degrees and allow for unprecedented opportunities to reengage students for baccalaureate degree completion.
- **Milestone Credentials**—in close collaboration with A++ partners, a framework for milestone credential awarding is being conducted to allow for incremental progress and sustained momentum between community college and university education, creating workforce-aligned milestones and incentivizing transfer and degree completion.
- **Concierge Student Support Model**—NAU is deploying a prototype of an innovative, one-stop student support model designed to increase transfer yields and outcomes at NAU. Similar to reduced credit degrees, this holistic model is a key feature for the College Network and this prototype will be an important tool for assessing efficacy and refining the support model.
- **Data and Technical Infrastructure**—strengthening systemwide collaboration across A++ hinges on the ability to share data to inform action and drive interventions. NAU has implemented several impactful initiatives to further the cohesion of data and technical integration between partners, which is accelerating work and efficacy of programs like Universal Admissions.

### **Feasibility and Pilot-Ready Building Blocks for College Network**

Through this endeavor, NAU has built on the core market assumptions and design specifications produced in FY24 to provide a strong foundation for the College Network. Workstreams have culminated in implementation frameworks that provide key insights and considerations that can help shape future work related to the College Network. While a significant investment is needed to launch an entirely novel provider, pilot-ready ideas are in place that can be deployed in a preliminary manner across NAU and its A++ network, and with the appropriate resourcing these can be harmonized into a sequenced deployment approach in the future. Key workstreams are as follows:

- **Recruitable Market**—in-depth review of market and propensities to enroll was conducted to refine FY24 assumptions about the novel population to be served. Results indicate limited viable demand for a new, stand-alone institution targeting this audience; however, insights into non-consumer preferences help calibrate price/discounting, feature preference, and focus current and future strategies for outreach and engagement.
- **Admissions**—a proposed admissions criteria for the College Network is offered, which can also be leveraged by NAU’s existing academic enterprise.
- **Operational Model**—a robust planning exercise was conducted around administration and business models for operating the College Network. This includes the following areas:
  - Academic Portfolio and Instructional Model
  - Student Support Model
  - Organizational Structure and Administrative Leadership (including centralized shared services)
  - Financial Model and Sustainability
- **Policy and Governance Considerations**—certain key policy and governance levers have been identified that may be necessary for ABOR attention and action to enable launch and fulfilment of the College Network’s mission.
- **Identity and Brand**—a key decision for College Network launch is to develop an independent brand or to leverage the NAU identity and assets that currently exist. Options for a new brand are presented (see *Figure #1* below), along with considerations for startup cost and brand recognition.
- **Accreditation**—launching an affiliated but independently named college offering has a relatively straightforward path to accreditation under NAU, allowing for swift progress should a launch be greenlit.

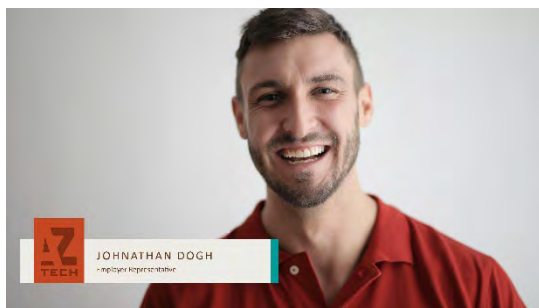


Figure #1: College Network sample brand assets for Arizona Tech (AZ Tech or AZ Tech Powered by NAU)

**Acknowledgements and Conclusion**

NAU looks forward to ongoing collaboration with ABOR to realize these goals and continue to advance the core vision of the College Network to broaden postsecondary access and opportunity for all Arizonans. Throughout this multi-year process of discovery, design, and feasibility, the partnership of ABOR staff and Regents has been essential to accelerating bold ideas and interventions that can help NAU fully realize its access mission for Arizona. In particular, NAU would like to acknowledge the vision of Regent Larry Penley, who has championed innovation in college access, advocated for NAU's differentiated mission, and inspired the design of the College Network model and the initiatives that have been implemented from it to bolster statewide attainment.

The immediate results are impressive, as demonstrated through record Arizona resident enrollments, new heights in retention and graduation, the removal of longstanding barriers around cost and admission, and the formation of a statewide partnership network that has elevated inter-institutional collaboration throughout Arizona like never before. The next phase is already underway, with key innovations from College Network efforts poised to deploy, combined with a strengthening of NAU's statewide access-focused presence.

Thus, while the university recommends a pause to any immediate launch to a standalone new provider in order to allow for greater certainty and to minimize financial and operational risks associated with a new endeavor, NAU is committed to swiftly and intentionally advancing innovative work aligned with the vision of the College Network to ensure that educational opportunities reach all sectors of the Arizona learner market.

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## Scaling of A++ Partnership Ecosystem and Design Features

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The following sections document NAU’s work to scale the A++ partnership ecosystem.

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### Reduced Credit Degrees

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Upon Higher Learning Commission approval, NAU will launch a 90-credit Bachelor of Professional Studies (BPS) degree to better serve non-traditional and place-bound students by offering affordable, accelerated pathways to high-value bachelor’s degrees. Starting as soon as Spring 2026, two programs—Hospitality Business Administration and Engineering Technology—will be offered in hybrid modality at strategic locations statewide, including Mesa, North Valley, and Tucson. These degrees reduce the traditional 120-credit load by 25%, shortening time-to-degree without sacrificing academic rigor or essential skills development. This design was informed by market research and workforce needs and targets industries with strong regional demand. The BPS degrees also support seamless transfer and articulation across the A++ partnership network, creating a strong value proposition for students who might not have the time, resources, or flexibility to engage in a traditional university degree program.

This innovative design is fundamental to NAU’s statewide access plans for the future. Reduced credit degrees are among the most distinctive features identified in the FY24 College Network planning work, and the rapid progress made to design and launch these programs holds promise to meeting diverse learner demand with high-impact and lower cost offerings. Future expansion plans include degrees in Construction Management, Healthcare Administration, Intelligence Solutions, and Logistics and Supply Chain Management, though the exact array of programs may change based on market demand and financial feasibility. This initiative addresses rising education costs, student demand for flexibility, and extended time to degree, positioning NAU as a leader in program innovation and economic mobility.

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### Universal Admissions

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NAU’s Universal Admissions (UA) program creates a frictionless transfer pipeline across the A++ network. In short, with UA, no student who applies to NAU will be “rejected” from higher education; instead, they will be redirected to a community college to begin their studies and then seamlessly transfer to NAU to complete their degree—eliminating barriers and providing new opportunities for attainment.

Launched in Fall 2023 with Coconino Community College, UA has undergone substantial expansion and optimization over the past year. The program, which now includes nine partner colleges, has seen more than 950 prospective students express interest in participating in UA in Fall 2025, and has a robust multi-touchpoint outreach strategy to minimize enrollment melt. NAU’s coordination across A++ institutions has established transfer readiness guidelines that emphasize completion of an AGEC or associate degree prior to transition. To scale sustainably, NAU is automating data exchange and analysis systems with Microsoft Fabric, replacing manual processes and improving real-time tracking and intervention.

As the program continues to scale out, emphasis is being placed on increasing student awareness, addressing community college advising capacity limits, and ensuring financial transparency, which are being addressed through enhanced communication, automation, and collaborative advising efforts. Next steps include expanding UA to additional colleges to complete uptake across the entirety of the A++ network, refining branding, developing accelerated degree pathways (see Reduced Credit Degrees above), and strengthening concierge-style support to reduce credit loss and shorten time to degree. UA exemplifies NAU’s commitment to student access and attainment, and is a national model for admissions and transfer innovation.

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## **Multi-Directional Reverse Transfer and Reengagement**

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A++ conducted a 15-year study (2008–2023) of transfer students to NAU who did not complete a credential. Of the 47,735 students who transferred during this period, more than 10,000 lacked a credential—and 61% of transfers from an Arizona community college arrived at NAU with at least 45 credits. Many of these students are within striking distance of completing an associate degree, and tremendous opportunity exists to reengage them to complete their academic journeys, earn a bachelor’s degree, and experience economic and workforce advancement.

Given the substantial population to be served, NAU has organized A++ partners to lay the groundwork for launching a statewide reverse transfer initiative aimed at awarding associate degrees retroactively to students who transferred to NAU without completing credentials. From 2008–2023, 2,500+ students transferred with 45+ credits but did not graduate; 1,650 had 60+ credits, positioning them for an associate degree. The initiative will proactively reach these students, confer credentials, and invite them to reenroll to complete bachelor’s degrees—boosting overall attainment.

NAU has engaged key stakeholders, conducted data analyses, and begun prototyping transcript auditing and degree matching systems. Vendor selection for a technology partner that can facilitate mass course auditing to determine eligibility is underway, along with pilot planning for deployment and messaging across populations, targeting FY26 phased deployment with selected A++ partners, scaling statewide in FY27. This strategy enhances student outcomes and redefines public higher education as more connected and responsive.

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## **Milestone Credentials**

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NAU and A++ are piloting digital Milestone Credentials, starting with a badge recognizing completion of the Arizona General Education Curriculum (AGEC). The AGEC has been identified as a key predictor of success among transfer student populations, correlating to an 85% transfer success rate one-year post-transfer (vs. 71% without AGEC). The badge makes student progress visible to improve persistence, transfer, and workforce signaling. Current work is focused on website development, badge platform evaluation, student testing, and registrar surveys. A recently secured Western Interstate Commission for Higher Education (WICHE) grant supports this effort to innovate in reengagement of stopped out, near completers using the AGEC badge.

Policy reforms needed include awarding AGEC upon completion, revising residency rules, improving data upload timing, and updating data-sharing agreements. Despite data system challenges, strong A++ collaboration creates momentum for automation and scalability. Next steps focus on finalizing badge design, identifying a statewide platform, and initiating targeted outreach. Milestone Credentials lay groundwork for a responsive, supportive credentialing ecosystem driving retention and completion, and NAU expects the AGEC milestone credential to begin deployment in FY26.

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## **Concierge Student Support Model**

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NAU is scaling a personalized Concierge Student Support Model across A++ partners to provide wraparound services that begin with enrollment (including transfer navigation), retention, and completion. The concierge model builds on two successful initiatives—Yuma Educational Success (YES) and AZ Ahead—to craft a tailored experience that supports students who are not enrolled at the Flagstaff campus, providing meaningful supports, just-in-time coaching, and invaluable connections across services and resources for students pursuing their studies throughout the A++ network.

The impact of this program is significant. YES, which was founded in 2018, has served 500+ students, resulting in a 65% transfer rate to NAU among associate degree completers, and an 85% six-year graduation rate at NAU for the 2019 cohort. AZ Ahead, launched fall 2025 with rural community college partners, has shown similar success, with 85% retention among participants. This model offers low student-to-staff ratios, embedded academic and financial support, peer mentoring, and family engagement throughout the student lifecycle, and transfer scholarships to incentivize progress toward a degree at NAU.

Successful scaling of this one-stop model will help inform NAU's overall statewide student support structures. Currently, NAU has engaged Coconino Community College, Mohave College, Northland Pioneer College, and Arizona Western College in the initiative, with future scaling anticipated to Maricopa, Pima, and Central Arizona colleges over the next year. Funds from the Helios Education Foundation and Lumina Foundation are aiding in the upscaling and evaluation of this program, which is poised to become a signature of NAU's access mission, improving outcomes and advancing upward mobility statewide. This model is differentiated from those of traditional residential universities and may be offered efficiently in a hybridized manner. Importantly, continued testing, scaling, and refinement of this model are a key design component identified throughout planning work for the College Network. NAU will leverage program learnings and successes to create a blueprint for future scalable statewide services.

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### **Data and Technical Infrastructure**

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NAU and A++ partners have made strides developing integrated data systems critical for statewide attainment over the last year. Recognizing that seamless pathways and supports are contingent upon a shared data language and systems, NAU has led the way in creating a network-wide "data cookbook" to standardize definitions and metrics; established shared key performance indicators focused on access, success, and workforce outcomes; and expanded cross-institutional student tracking through initiatives like Universal Admissions and AZ Ahead.

Challenges include fragmented tech systems, limited analytic capacity, privacy concerns, and outdated data agreements. NAU is addressing these by strengthening governance, providing revised and standardized data agreements, and enhanced communication. Ongoing efforts include expanding unit-record data sharing pilots, scaling credential conferral automation, and deepening workforce outcome analyses. These investments build foundational infrastructure to improve pathways, outcomes, and Arizona's attainment goals. In addition to bolstering UA communications and efficacy, data and technical infrastructure improvements will enable subsequent initiatives, including reverse transfer and reengagement and automated milestone credential awarding that are nearing deployment.

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## Feasibility and Pilot-Ready Building Blocks for College Network

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The following sections document NAU’s work to refine the College Network model, as well as prepare implementation frameworks and strategic considerations to inform design, implementation, and launch.

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### Recruitable Market **confidential**

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To refine FY24 analysis and determine the size and scope of the novel market of college non-consumers that the College Network could serve, NAU, in collaboration with ABOR staff, conducted a survey of Arizona residents aged 17–35 with no college or some college/no degree to assess demand and propensity to enroll at a new university designed to expand access and attainment. The survey employed a choice-based conjoint analysis to evaluate respondent preferences across attributes including format, support services, time to degree, tuition, and scholarship levels.

Results indicate limited viable demand for a new, stand-alone institution targeting this audience. While 71% of respondents aged 17–24 and 48% of those aged 25–34 indicated general interest in enrolling in university, preference share modeling shows only 8–11% selected the College Network over existing four-year competitors. The “Neither” option drew a higher preference share than the College Network, suggesting lack of options is not a primary barrier to enrollment. Introducing the College Network would largely redistribute market share away from existing public institutions (NAU, ASU, UofA) without meaningfully expanding the overall market. The estimated recruitable market totals approximately 47,000 across Arizona, translating to 400–1,400 potential enrollees in the College Network under realistic yield assumptions.

This study is highly informative to College Network design and overall attainment-focused initiatives pursued by NAU. Starting up a College Network, given market limitations, resource constraints, and political uncertainty, is not likely to yield substantial enrollment and increase overall attainment. A viable alternative to increase access for the target population is optimizing NAU’s existing statewide foundation. Furthermore, financial aid emerged as the most important attribute among the population surveyed, with scholarship levels showing three times the influence of tuition cost. As such, NAU is considering novel aid strategies—versus simply lowering the sticker price—to best attract and yield students outside of Flagstaff. Finally, this work also underscores the importance of focused marketing and communications to prospective students who already indicated interest in postsecondary options versus focusing on attracting non-consumers. Through NAU’s A++ partnerships, current statewide offerings, and emerging high school pipelines, NAU has an opportunity to create high-efficiency yield programs grounded in scholarship incentivization; cost effective, workforce-aligned programming (e.g., 90-credit degrees) distinct within the Arizona higher education marketplace; flexible offerings that are available online and/or in-person to meet learners’ life circumstances; and responsive and tailored support services that enable persistence and timely success.

See further:

- Appendix A: Recruitable Market Analysis

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### Admissions **confidential**

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NAU’s proposed criteria for admissions for the College Network is to set assured admissions standards at a 2.0 high school GPA. This approach lowers the barrier to entry and provides a clearer pathway into higher education for populations historically underrepresented in college enrollment. NAU’s existing

amendments to admissions policies (2.5 GPA assured and 14 core courses) have provided a proof-point for this adaptive strategy. With the College Network being envisioned as tightly focused on access, attainment, and workforce outcomes, this broader admissibility criteria is essential for fulfilling its mission. In addition, with a more streamlined portfolio of academic offerings, support services can be intentionally designed to maximize student success for individuals of all levels of academic background and preparedness.

In parallel, NAU is also exploring broader adjustments to its general admissions model. Preliminary considerations include a differentiated admissions framework that preserves academic standards while broadening access, with a two-pronged approach for students in the 2.0-2.5 GPA range:

- **Conditional Admission:** Offering structured support pathways for students admitted below traditional thresholds, with defined academic progress milestones, this pathway ensures students begin engaging with NAU directly on their academic journey.
- **Universal Admissions Redirect:** Providing students with lower academic preparation a seamless path starting at a community college partner, with guaranteed reentry into NAU upon meeting predefined criteria, which leverages the existing UA framework to ensure NAU does not deny admission to students.

This dual-track strategy reinforces NAU's commitment to providing opportunity to all students and will continue to be a point of analysis and refinement..

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### **Operational Model confidential**

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A centerpiece of FY25 efforts on the College Network was to develop an implementation framework and core design features for the organizational and operational model that would be deployed. Drawing from national College Network models, market data, and NAU's existing operational insights and operating model (Flagstaff centralized services as well as the NAU-Yuma campus to approximate a standalone operating entity), the following components have been refined: 1) Academic Portfolio and Instructional Model, 2) Student Support Model, 3) Organizational Structure and Administrative Leadership, 4) Financial Model from startup to early maturity.

#### **Overview and Strategic Purpose**

The NAU College Network is a transformative initiative designed to expand access to affordable, career-relevant postsecondary education for underserved learners across Arizona. Envisioned as a branch-campus model under Northern Arizona University's (NAU) Higher Learning Commission accreditation, the College Network complements NAU's existing statewide, online, and Flagstaff-based programs by offering reduced-credit degrees, integrated student supports, and a workforce-aligned academic portfolio. The effort reflects NAU's mission-driven commitment to economic mobility and social impact and positions the institution as a national leader in public postsecondary innovation.

Based on market data and propensities to enroll, the College Network is designed to serve up to 1,000 full-time equivalent students, primarily in Maricopa County. It is structured around three foundational pillars: simplicity, intentionality, and integration. With entry standards that emphasize access over selectivity, high-touch concierge advising, and streamlined academic pathways, the College Network provides a differentiated and student-centered alternative for individuals historically excluded or underserved by traditional postsecondary education.

#### **1) Academic Portfolio and Instructional Model**

The academic portfolio of the College Network is rooted in applied, high-demand programs that align with Arizona's evolving workforce needs. As part of the commitment to student affordability and outcomes, the academic portfolio is anchored in distinctive Bachelor of Professional Studies (BPS) programs, which are structured as 90-credit degrees that consists of General Studies and major and professional coursework (25% less credit work required compared to traditional university offerings). Curricula are designed to enable accelerated completion, stackable certificates, modularized content, and the integration of Credit for Prior Learning.

Initial degree offerings include:

- Construction Management
- Engineering Technology
- Healthcare Administration
- Intelligence Solutions
- Logistics and Supply Chain Management

A second-phase academic expansion will add new programs in:

- Human Systems and Change
- Early Childhood
- Executive Leadership and Operations

Note that specific majors may change based on continuous monitoring of market demand and program feasibility. The curriculum delivery model accommodates working learners and nontraditional students through hybrid formats, 8-week sessions, evening/weekend options, and year-round progression pathways. Students can graduate within three academic years, with dedicated support to reduce time to degree and improve affordability.

The College Network will implement a master course model to ensure instructional quality and consistency across hybrid and online offerings. Courses are developed through collaboration between faculty subject matter experts and the Instructional & Creative Design (ICD) team, following a formal MOU-based development process. This model ensures:

- Accessibility, quality, and alignment with learning outcomes
- Modularized content that supports stackable credentials
- Consistency in student experience regardless of instructor or modality

Two additional instructional designers are necessary to support course development. To ensure adaptive alignment with demand, the College Network will have a small core of teaching-track instructors (non-tenured multi-year appointments, with a standard 4-4 teaching load, with service and governance responsibilities aligned with Conditions of Faculty Service provisions, with the remainder being contingent faculty, who typically have industry experience.

## **2) Student Support Model**

The College Network's student success model is anchored by a mature concierge approach, developed through insights from NAU's Yuma campus (YES), the AZ Ahead initiative, and national evidence on high-impact student supports. From initial contact with the university, each student is paired with a dedicated student concierge who remains their primary point of contact from enrollment through graduation. These concierges offer integrated support across financial aid, registration, academic advising, and career development.

Key features of the model include:

- Low student-to-concierge ratios (200–300:1)
- Proactive advising and case management
- Holistic guidance across academic and non-academic domains
- Seamless handoffs to specialized supports as needed

At full scale (1,000 students), the student success center will include four concierges and 10 administrative support professionals. The model is intentionally simplified, personalized, and embedded with technology-enhanced systems to support students efficiently and consistently.

### 3) Organizational Structure and Administrative Leadership

The College Network is designed as a branch-campus system, with a localized leadership model connected to NAU's centralized governance and academic infrastructure. The recommended administrative structure includes:

- **Campus Executive Officer:** reporting to the Executive Vice President and Provost, this position oversees academic and administrative components of the College Network, including multiple sites as applicable.
- **Academic Division:**
  - **Two Divisional Chairs** overseeing faculty coordination, assessment, and curriculum refinement, leveraging a blended instructional workforce of full-time, non-tenured teaching faculty, and contingent faculty
- **Workforce Connections:**
  - **Workforce Council** convened and reporting to the Campus Executive Officer, with strong connections throughout NAU's enterprise, this group would help to ensure workforce alignment and outcomes-driven programming and program design for students
- **Shared Services:** To maximize efficiency and reduce administrative overhead, the College Network will fully participate in NAU's shared services ecosystem, creating an integrated operational backbone across campuses. Each functional area will receive approximately one additional FTE to meet expanded capacity needs. This model supports standardization, reduces duplication, and allows the College Network to prioritize its instructional and advising core while drawing on NAU's institutional strength for business operations. Core shared service areas include:
  - Academic Affairs, specifically the Instructional & Creative Design team
  - Human Resources
  - Legal and Compliance
  - Procurement
  - Information Technology
  - Institutional Research
  - Student and Departmental Account Services
  - Enrollment Management

### 4) Financial Model and Sustainability

The College Network's financial model is designed for long-term sustainability through disciplined program offerings, moderate tuition levels, and shared operational infrastructure. At full maturity (1,000 FTE students), the college is projected to generate approximately \$280,000 in net annual revenue. The tuition structure aligns with NAU's statewide rates (approx. \$12,096 tuition and \$517 in fees), with financial aid assumed.

A five-year ramp-up to full enrollment is anticipated, during which NAU projects a cumulative operating loss of \$7.3M–\$7.5M. To offset this, the university intends to seek state seed funding of \$10M–\$15M, consistent with national precedent for the launch of public access institutions (e.g., CalBright College). These funds will provide financial runway, cover early operational costs, and ensure compliance with ABOR cash-on-hand requirements.

See further:

- Appendix B: Financial and Operational Model

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### **Policy and Governance Considerations** confidential

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The successful launch and sustainability of NAU’s proposed College Network will require strategic policy and governance actions from the Arizona Board of Regents (ABOR). Through collaborative discussions over the course of FY25, NAU and ABOR staff have identified several areas for consideration that would allow the new model to develop, differentiate, and thrive within Arizona’s public higher education landscape.

These considerations are not designed to impose rigid constraints or bureaucratic processes but rather are intended to offer options for how NAU and ABOR might collaborate to proactively shape institutional behavior through carefully designed incentives, strategic differentiation, and shared commitments to systemwide access and attainment goals. The following five policy areas represent the most viable opportunities for ABOR engagement to support the NAU College Network:

**Reduced-Credit Degree Program Exclusivity:** Differentiate the College Network with accelerated 90-credit bachelor’s degrees. As a clear differentiator for NAU and the College Network, providing an ability for exclusive offerings of reduced credit degrees streamlines messaging and institutional positioning. Options include total exclusivity on reduced credit offerings or a “head start” with five (5) years from NAU/College Network program launch until other universities could offer. Implementation could be achieved via adaptations to the program approval process rather than formal policy change.

**Admissions Differentiation:** Prevent uniform recruitment practices that undermine the differentiated mission of the College Network. In conjunction with policy approval for 2.0 GPA admissions for NAU/College Network, consider adopting GPA range targets and/or distribution profiles across institutions. This approach would require modeling, enforcement mechanisms (e.g., incentives), and a formal policy shift to accomplish.

**Financial Aid Practices:** Prevent counterproductive “arms race” behavior across institutions that erodes financial sustainability. By integrating financial aid strategy with admissions guardrails, institutions would align aid with their core market segments. Enforcing parameters for aid may be more complex, thus recommending tethering to admissions differentiation enforcement structure.

**TRIF Allocation Strategy:** As a key flexible funding mechanism available to the Board, leverage TRIF to support NAU/College Network mission achievement and align institutional behaviors with Board priorities. TRIF could directly support the College Network and/or serve as a lever for other guardrails via incentivizing TRIF funding allocations/releases based on compliance with abovementioned parameters. Would require Board consensus and careful design to ensure institutional buy-in.

**Centralized Direct Admissions:** Improve system-level coordination and steer students toward the best-fit institution through pooled/centralized admissions strategy. With a state-managed direct admissions

platform, ABOR could avoid incentive/enforcement challenges and instead use an approach modeled after Georgia Match—and many other systems across the country—whereby student applications are routed to the most appropriate destination(s). This would be a complex and significant undertaking, but offers greater systemwide cohesion and differentiation.

Implementing any of these guardrails will require a mix of informal agreements (e.g., MOUs), formal ABOR policy changes, and coordinated operational shifts across institutions. Progress to date has focused on prioritizing feasible ideas and scoping implementation pathways. A thoughtful rollout will need to balance innovation and institutional autonomy with system coherence and mission differentiation.

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### **Brand, Identity, and Marketing Strategy Considerations confidential**

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A key consideration for the College Network is whether to launch as a standalone new brand or reconfigure NAU assets into a new package of NAU-affiliated and branded offerings in the statewide and online domains. A new brand will, necessarily, have a higher startup cost, as launch campaigns will be needed to build awareness and proof points to validate quality and impact will be essential.

Below is a summary that builds upon previous market research and focus groups to provide an image of standalone College Network brand and marketing.

#### *Market and Audience Insights and Analysis*

##### **Audience Profile**

- Non-Degreed adults and working learners (25—39): Often juggling work and family, these learners value flexibility, transparency in pricing, and clear, achievable career outcomes.
- Young adults (18–24): Focused on practical, real-world applications and career readiness.

##### **Key Emotional Drivers:**

- Stability and confidence
- Freedom, security, and relief
- Achievement and practicality

##### **Audience Summary:**

- Non-traditional learners
- Immediate impact seekers
- Work-life balance pursuers

##### **Unique Value Proposition:**

- Built off traditional higher education strengths, the new public option provides an innovative alternative that focuses on an accelerated, career-focused education with ultimate flexibility and enhanced affordability for non-traditional learners.

##### **Brand Promise:**

- Potential statement: Empowering learners to graduate faster with a career-focused education that blends the strengths of traditional higher education with ultimate flexibility and affordability—ensuring every student can achieve their goals on their own terms.

#### *Potential Brand Names & Identity Options*

**Arizona Tech (leading candidate)** carries strengths that make it a resonant name for the College Network:

- **Clear focus on innovation:** The term “Tech” aligns well with the college’s emphasis on streamlined, career-focused learning and hands-on, technology-driven training—a critical point given that students are seeking practical skills and tangible outcomes on a faster timeline.
- **Regional identity:** Including “Arizona” roots the institution and taps into state pride and a commitment to serving the specific workforce needs in Arizona’s key markets.

- **Memorability and market appeal:** The name is concise and easy to remember. Its simplicity makes it strong from a branding perspective.

Other candidate names Arizona Nexus College, Copper State College, Sonoran College of Innovation and Technology, Ironwood Innovation University, Arizona Workforce College, etc. are also under consideration and can be refined further based on feedback.

### Brand Positioning

- **Brand positioning statement:** For non-traditional Arizona learners, [the College Network/Arizona Tech] is the innovative higher education solution that delivers accelerated, career-focused degree programs with unparalleled flexibility and enhanced affordability. We combine the academic rigor and support of traditional universities with our unique approach, empowering students to achieve their professional goals without compromising their current commitments.

### Core Messaging Pillars

- Accelerated learning
- Graduate faster
- Career-centric pathways and connections
- Unparalleled flexibility
- Enhanced affordability
- Supports designed for you

### *Outreach Approach and Campaign Theme Options for Launching*

#### Multi-Channel Outreach

- **Digital advertising and social media:** Use targeted online campaigns that speak directly to both working adults and traditional college-going age students.
- **Community engagement and events:** Host local events in Phoenix and Tucson, showcasing campus features and offering on-site information sessions.
- **Partnerships with local employers:** Highlight the direct connection between education and career outcomes by partnering with regional businesses and workforce development programs.

### Brand Campaign Theme Options

- **“Accelerate your path”** | Highlight the accelerated, stackable nature of the programs and the flexibility in course delivery.
- **“Degree in three”** | A degree within reach—now. With accelerated pathways, you can take the next step in your career in three years or less.
- **“A new path”** | Homing in on accelerated, career-focused education with unparalleled flexibility and enhanced affordability.
- **“Graduate fast. Spend Less. Earn more.”** | Get the job of your dreams with streamlined, career-focused degrees that cost less, take fewer credits, and lead to higher pay.

### *Implementation*

- **Preparation for testing:** Engage key stakeholders to determine top candidate names, sharpen brand positioning, visual and verbal identity development, and core messaging framework.
- **Focus groups and refinement:** engage stakeholder focus groups to sharpen brand messaging; based on feedback, finalize brand positioning, visual identity, messaging framework.
- **Rollout plan:** Develop a phased rollout plan in partnership with College Network leaders and decision-making partners; budget parameters will be essential to determining size/scope of plan.

### Considerations

Creating a new brand and identity is a significant task with significant long-term considerations to be weighed as part of the overall College Network strategy. Three of the foremost considerations to inform decision-making on brand are provided below:

- **New Brand vs. Existing Brand:** Cost of saturating the market with a new brand will be high while an existing brand needs less startup investment. The cost/benefit must be weighed in determining the ROI of new brand/identity creation. An evolutionary approach where a new “flavor” of an existing higher education model is launched/spunoff could be an alternative route (e.g., NAU-Access, a state-serving, career-focused student experience). Such an approach would require less direct marketing investment and offers unique opportunities for a storytelling approach around impact and adaptation to the students of today.
- **Market Cannibalization:** The new brand is designed to offer a compelling value proposition to an underserved higher education market. However, several key features, particularly accelerated time to degree and low cost, may draw interest from current consumers of the state’s more traditional public offerings. If the new public option draws students from NAU, ASU, and UofA, it may have tangible revenue and operational impacts on those institutions, so guardrails and contingency plans should be weighed should there be a market cannibalization by this new entity.
- **Articulating Value and Impact:** During startup, a new brand will need validators/endorsers to demonstrate its value, given that there will be no “AZ Tech” graduates whose stories can offer a compelling case for value. Before public launch, influencers/partners will need to be embedded into the media strategy for maximum impact.

See further:

- Appendix C: College Network Brand

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### Accreditation **confidential**

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The most efficient and cost-effective accreditation path for launching the College Network is through a branch campus designation under NAU’s existing institutional accreditation with the Higher Learning Commission (HLC). This designation allows the College Network to operate with autonomy—including its own faculty, administration, and budget—while benefiting from shared services and streamlined oversight through NAU’s existing structures. It also enables distinct branding and identity for the College Network. This approach minimizes startup costs, accelerates the timeline to launch, and avoids the complexity and expense of pursuing separate accreditation.

Since July 2024, NAU has completed initial planning and alignment with HLC guidelines, prepared internal documentation, and engaged ABOR leadership on the branch campus proposal. The groundwork laid to date positions NAU for a Substantive Change submission following ABOR approval. With a typical 3–6 month HLC review window, the college could launch swiftly if approvals proceed. Risks—such as ABOR or HLC denial—are being proactively mitigated through early engagement with both entities. While this approach is purpose-built for the College Network, it is not intended to be applied to other NAU locations, given the lack of added value under current structures.

## **APPENDIX A: RECRUITABLE MARKET ANALYSIS**

### **Recruitable Market**

#### **OVERVIEW**

We explore the recruitable market for a new, innovative university in Arizona with the overarching goal of expanding access to academic excellence, particularly to young adult learners with no college or some college, no degree.

Building on previous market research and in collaboration with colleagues from ABOR and NAU subject matter experts, we developed and implemented a survey designed to understand propensities to attend for non-consumers. This survey, launched to a representative sample of Arizonans in March 2025, provides more nuanced knowledge of the overall market relative to previous research by shifting focus from respondents who previously expressed interest in college to the general population and including an opt-out (neither) option.

The survey results suggest the proposed new model is unlikely to substantially increase attainment in the target population. A considerable proportion of respondents in the target audience express no interest in higher education at any price point and are therefore highly unlikely to enroll. For respondents stating they are likely to enroll, market analysis indicates existing options for earning a bachelor's degree in the state—and beyond—are sufficient to meet demand. Marginal increases in attainment might be encouraged through enhanced outreach, additional scholarships, and by bolstering comprehensive academic, career, and financial support services for the target audience.

#### **METHODS**

The survey incorporated choice-based conjoint analysis to understand preference share for a New University. The choice-based conjoint question included a set of attributes and levels tested with stakeholders and student focus groups (Table 1).

## APPENDIX A: RECRUITABLE MARKET ANALYSIS

**Table 1:** Choice-based Conjoint Attributes and Levels

Attribute	Levels*	College Network Attributes
<i>Learning experience</i>	- completely online classes - blend of in-person and online classes - mostly in-person classes	blend of in-person and online
<i>Comprehensive academic, career, and financial support services</i>	- completely online - blend of in-person and online - mostly in person	blend of in-person and online
<i>Commute</i>	- no commute - less than 30 minutes - more than 30 minutes	less than 30 minutes
<i>Minimum time to a bachelor's degree</i>	- 3 years - 4 years	3 years
<i>Tuition</i>	- \$6,000 - \$8,000 - \$10,000 - \$12,000 - \$14,000	\$12,000
<i>Scholarships</i>	- 0% - 25% - 50% - 75% - 100%	25%

*\*Note some combinations excluded for realistic presentation of options*

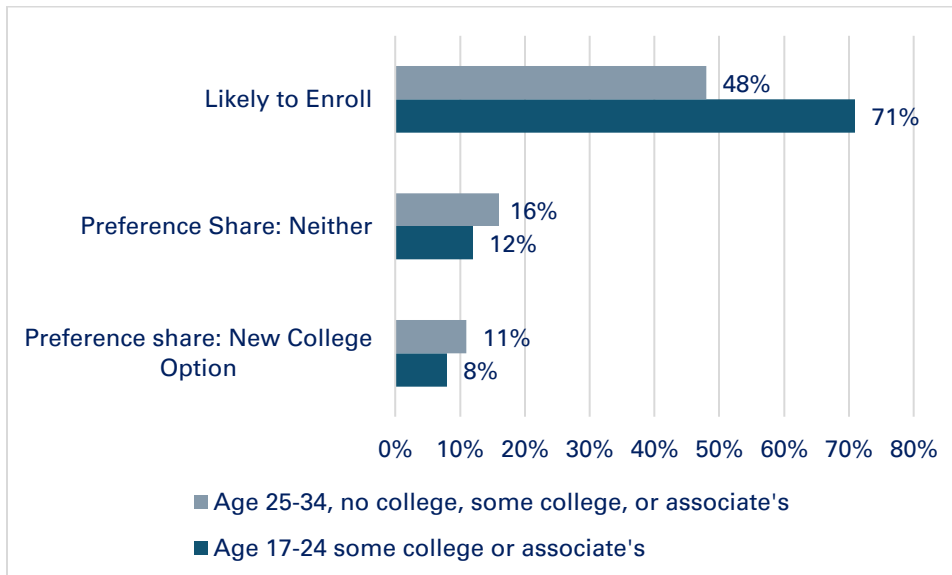
## RESULTS

We obtained 614 completed responses from the general population aged 17-35 in Arizona with a high school diploma and either no college or some college, no degree. A relatively high percentage of respondents state they are likely to enroll in a university. However, choosing neither option dominates the preference share for the new university in the target population (Figure 1).

## APPENDIX A: RECRUITABLE MARKET ANALYSIS

- Younger respondents and those with some college/no degree have a higher propensity to state they are likely to enroll at a university, with 71% of those aged 17-24 stating they are likely to enroll. Only 48% of respondents aged 25-34 stated they are likely to enroll at a university.
- We simulated a market with a reasonable set of competitors, including ASU, UA, NAU, Grand Canyon, University of Phoenix, and Western Governors. A combination of propensities from the attitudinal questions and preference shares from the choice-based analysis simulator show:
  - Preference share for respondents 18-24 with some college or associate's degrees is 8%. However, 12% of the population chooses neither.
  - Preference share for respondents 25-34 with no college, some college, or associate's degrees is 11%. However, 16% of the population chooses neither.

**Figure 1: Demand Indicators**



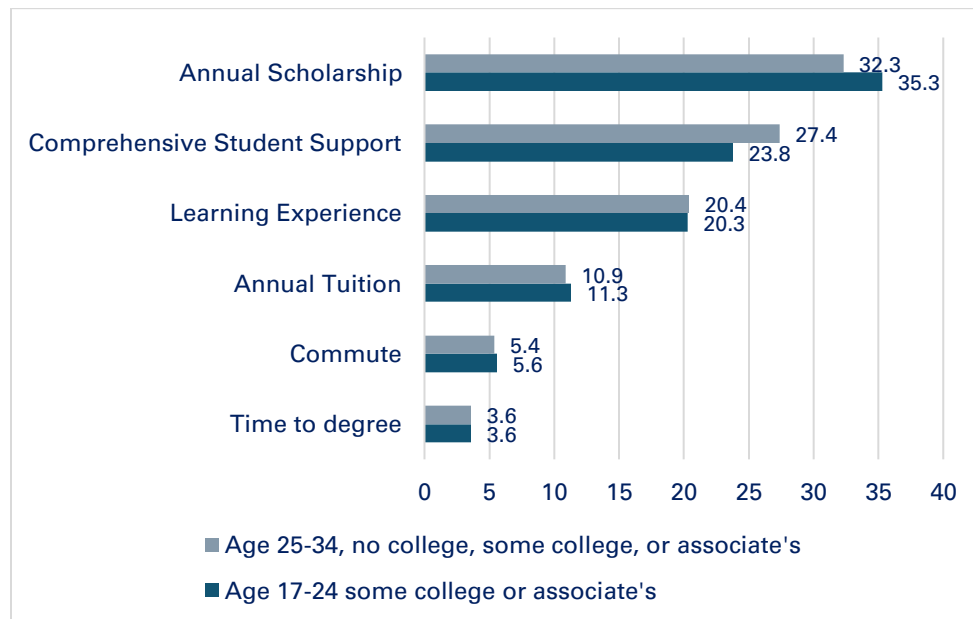
**Recruitable Market:** We calculated the recruitable market as a function of the current population from US Census data multiplied by the proportion with a stated propensity of likely to enroll at university, multiplied by the preference share. The recruitable market is approximately 47,000. If we incorporate reasonable yields for the target population, the predicted enrollment ranges from 400-1,400 total students from the existing population of adult learners. Note the reported range is

## APPENDIX A: RECRUITABLE MARKET ANALYSIS

not predicted annual enrollment; it approximates the total number of students likely to enroll.

**Importance of Attributes:** The choice-based conjoint analysis shows relative importance of attributes by segmented population. Attribute importance scores sum to 100 across all attributes across respondent groups. In both populations, *Annual Scholarship* dominates relative attribute importance, with a score of 35.3 for the 17-24 population and 32.3 for the 25-34 population. In both cases, attribute importance score for *Annual Scholarship* is more than three times the score for *Annual Tuition*.

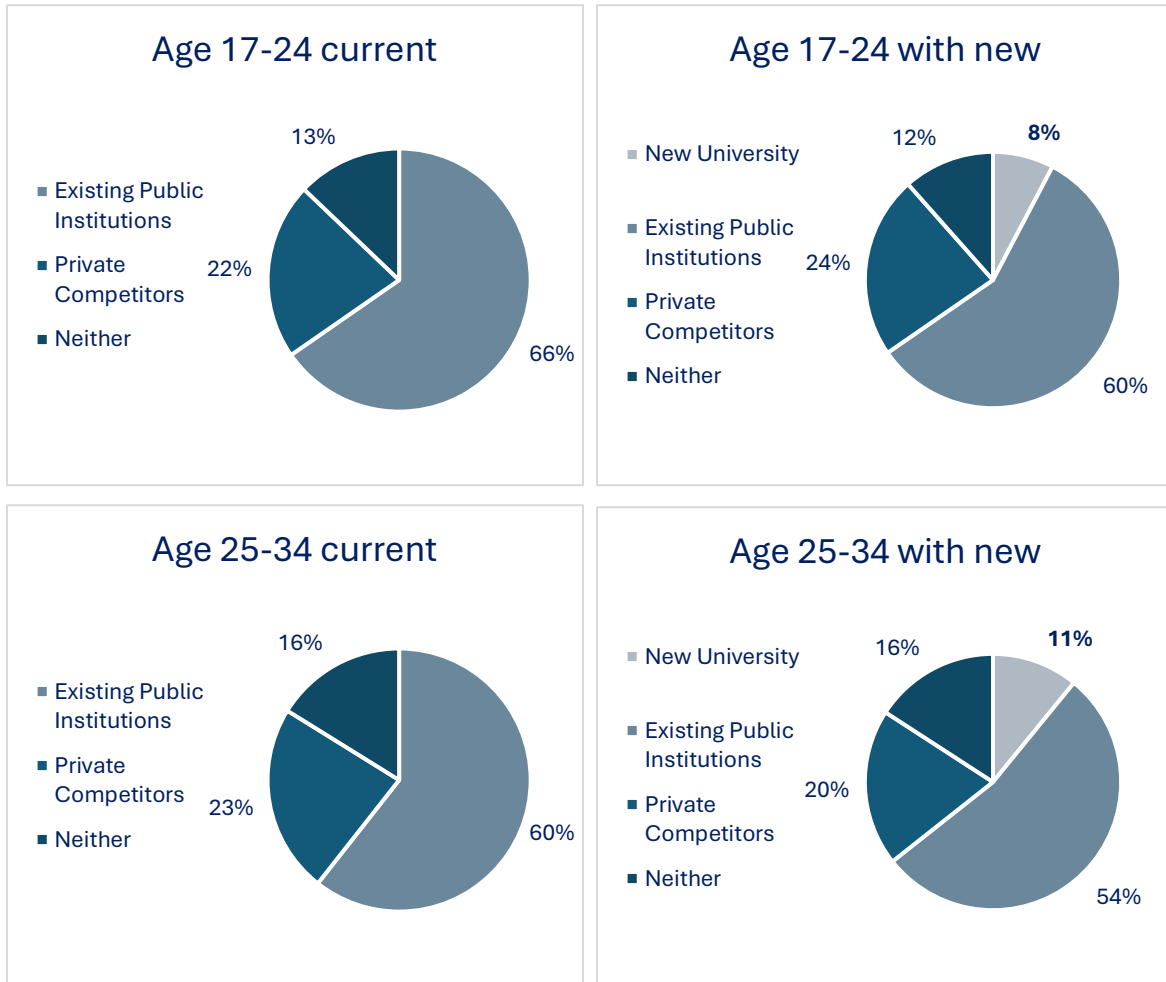
**Figure 2:** Relative Attribute Importance Score



**Relative Preference Share:** Market simulations show the potential for the New University option to have between 8%-11% of the preference share. For the Age 17-24 population, introducing the New University option reduces the preference share for Neither by 1%, Private Competitors by 2%, and Existing Public Institutions by 6%. For the Age 25-34 population, introducing the New University option reduces the preference share for Private Competitors by 3% and existing Public Institutions by 6%. Therefore, the results also indicate the introduction of a New University is not likely to gain a large portion of non-consumers (Figure 3).

**Figure 3:** Preference Shares for Current Market Relative to Market with New University

## APPENDIX A: RECRUITABLE MARKET ANALYSIS



## CONCLUSIONS

- Preference share for the New University is relatively low (8%-11%), indicating lack of viable demand for a new university option relative to competitors.
- Introducing a New University reduces the preference share for existing public universities.
- “Neither” has a higher preference share than the New University option within relevant populations, indicating lack of respondent interest in attending university regardless of the attributes.
- *Annual Scholarship* dominates attribute importance, indicating financial aid is more important than sticker price.

## **APPENDIX A: RECRUITABLE MARKET ANALYSIS**

### **NEXT STEPS**

The market analysis indicates the lack of viable demand for a stand-alone new college option. However, marginal increases in attainment may be achieved by optimizing the existing statewide and online infrastructure of NAU and A++.

Actionable recommendations include:

- Increase NAU's outreach through securing prospective students' contact information using A++, relationships with high schools, and other options.
- Develop and implement additional scholarships for the Age 17-24, some college, or associate's population.
- Improve comprehensive academic, career, and financial support services for NAU students that are readily available and clearly communicated to prospective students.

APPENDIX B: FINANCIAL AND OPERATIONAL MODEL

(\$M)

New College Enrollment (Undergrad)	Enrollment	Revenue				Expense					Tuition & Fees less Expense
		Net Tuition	Mandatory Fees	College Fees	Total Net Tuition & Fees	Facilities/ Operating	Admin & Student Support	Shared Services Support	Instructional	Total Expense	
Year 1	200	\$1.08	\$0.10	\$0.16	<b>\$1.34</b>	\$2.22	\$1.07	\$0.40	\$0.58	<b>\$4.27</b>	<b>(\$2.92)</b>
Year 2	400	\$2.22	\$0.22	\$0.33	<b>\$2.77</b>	\$2.29	\$1.07	\$0.40	\$1.15	<b>\$4.91</b>	<b>(\$2.14)</b>
Year 3	600	\$3.43	\$0.34	\$0.53	<b>\$4.30</b>	\$2.36	\$1.31	\$0.40	\$1.75	<b>\$5.82</b>	<b>(\$1.52)</b>
Year 4	800	\$4.72	\$0.47	\$0.74	<b>\$5.93</b>	\$2.43	\$1.41	\$0.41	\$2.38	<b>\$6.62</b>	<b>(\$0.69)</b>
Year 5	1,000	\$6.07	\$0.62	\$0.97	<b>\$7.66</b>	\$2.50	\$1.43	\$0.42	\$3.03	<b>\$7.38</b>	<b>\$0.28</b>

**Notes:**

Facilities/operating expense based on North Valley FY25 estimated expenses; 3% increase per year

Tuition and fee amounts based on FY25 rates with corresponding FY26 % increases with 3% increase tuition and 5% increase in fees in subsequent years

Personnel expenses increases (Salary and ERE) mirrors the 5-year budget (flat in FY26 & FY27, 1% increase FY28, and 2% increase in FY29 and FY30)

*Expenses do not include Flagstaff personnel and resources used to support non-Flagstaff operations beyond those referenced in the Shared Services*

Primary logo

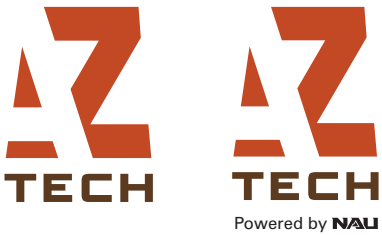
APPENDIX C: NEW COLLEGE BRAND



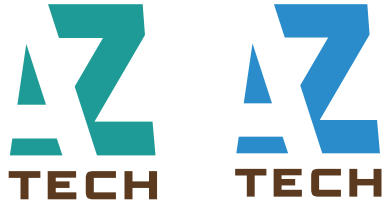
Wordmark logo



Secondary logo



Additional color variations



Primary colors



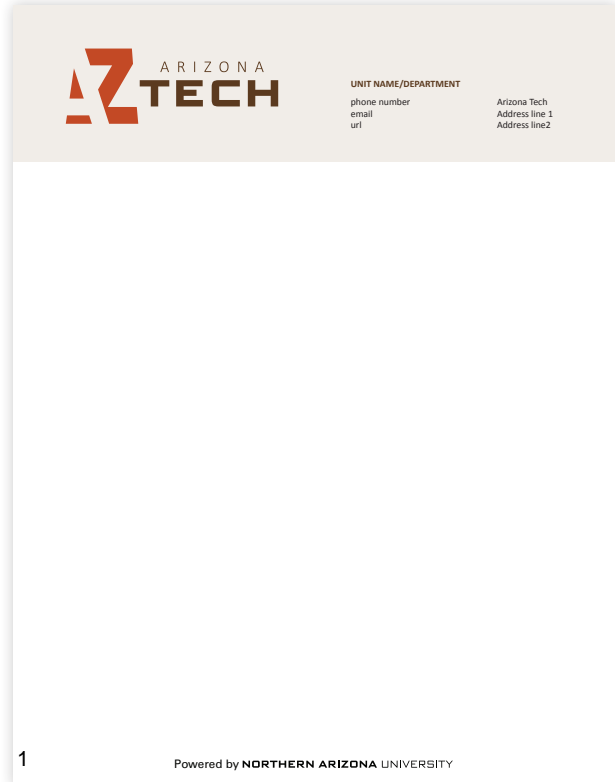
Secondary colors



Business card



Letterhead



Booth display



APPENDIX C: NEW COLLEGE BRAND

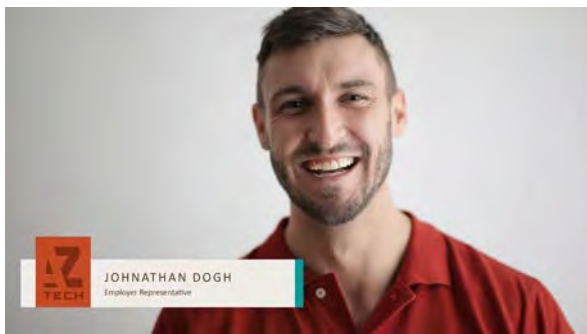
Poster



Postcard



Still shot of video testimonial



E-Newsletter ad



Digital billboard



Booth exhibit



Video testimonial screenshot



Poster

**A DEGREE WITHIN REACH—NOW.**

**With accelerated pathways, you can take the next step in your career in three years or less.**

We combine the academic rigor and support of traditional universities with our unique approach, empowering students to achieve their professional goals efficiently without compromising their current commitments.

- **ACCELERATED LEARNING:** programs designed for quick degree attainment
- **UNPARALLELED FLEXIBILITY:** adaptable schedules and flexible accommodation between learning modes: online, in-person and hybrid
- **ENHANCED AFFORDABILITY:** simplified clear communication about pricing and financial aid options

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- ✓ accelerated learning
- ✓ career-focused education
- ✓ unparalleled flexibility
- ✓ enhanced affordability

**ARIZONA TECH**  
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**WITH ACCELERATED PATHWAYS, you can take the next step in your career in three years or less.**

At Arizona Tech, we combine the academic rigor and support of traditional universities with our unique approach, empowering students to achieve their professional goals efficiently without compromising their current commitments.

- **ACCELERATED LEARNING:** programs designed for quick degree attainment
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- **ENHANCED AFFORDABILITY:** simplified clear communication about pricing and financial aid options

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Digital/newletter ad

# ACCELERATE YOUR PATH WITH

# ARIZONA TECH

Arizona Tech offers affordable programs that are designed to allow students to fast-track their education and complete coursework in a shorter period of time.

The flexibility in course delivery further enhances the learning experience, offering students the option to choose between various formats: • online • in-person • hybrid

This allows individuals to balance their education with other commitments, making it easier to pursue their goals while maintaining a flexible schedule.



Whether you're looking for a fast-paced, focused learning experience or a more adaptable approach to fit your lifestyle, **Arizona Tech** can provide you with the tools and options to succeed.

Digital billboard

# ACCELERATE YOUR PATH

with



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NORTHERN ARIZONA UNIVERSITY



**CONFIDENTIAL**

To: Cecilia Mata, Chair, Arizona Board of Regents  
CC: Arizona Board of Regents  
From: José Luis Cruz Rivera, President, Northern Arizona University  
Date: June 30, 2025  
Re: 2024-25 At-Risk Goal #3: Revenue Generation



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This memorandum presents a high-level statement of achievement describing how the incentive goal in reference was met and how NAU will build on this work to continue to advance its mission.

Sections of this memorandum that describe **confidential** personnel or proprietary information are marked appropriately and should be limited to executive session review by the Board.

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**Goal Statement**

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Create a comprehensive list of new revenue stream opportunities to support NAU's mission that transcend conventional boundaries and embrace innovative, forward-thinking strategies—including enhancements to existing revenue streams—that will contribute to sustainable financial health. Develop a plan to incorporate new and enhanced revenue streams, transformative initiatives, and creative financing models into university operations.

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**Goal Status**

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Achieved

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## Executive Summary

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Over the past year, NAU has undertaken a comprehensive, institution-wide effort to identify, evaluate, and begin early implementation of new and enhanced revenue streams that will secure the university's long-term sustainability amid a challenging fiscal landscape. This strategic initiative directly addresses critical pressures facing higher education: sustained declines in state funding, volatility in federal resources, and demographic shifts expected to impact enrollment. In response, NAU's approach combines near-term revenue optimization with long-range transformative opportunities, anchored in the university's core mission to expand access, foster academic excellence, and serve Arizona's communities.

### **Strategic Finance: A University-Wide Imperative and Organizing Framework**

To create an overarching organizational framework for this effort, NAU deployed a university-wide Strategic Finance initiative for FY25. Designed to bring shared ownership and prioritization to financial management throughout the university, this effort engaged all divisions and employees to elevate financial stewardship and propel innovation.

NAU's Strategic Finance approach is grounded in four pillars:

- **Raise Revenue:** Unlock new and expanded revenue sources across the institution.
- **Contain Costs:** Strengthen efficiency and fiscal discipline without compromising mission-critical investments.
- **Sharpen Focus:** Align resources with strategic priorities that deliver measurable impact.
- **Invest in Impact:** Prioritize initiatives that provide evidence-based financial and mission-driven returns.

This shared vision for university resource management and operations shaped a robust pipeline of ideas, initiatives, and partnerships designed to diversify revenue while advancing NAU's values and goals. At the same time, it has also strengthened controls, cost containment efforts, and internal programmatic and ROI assessment strategies.

As a culminating step, the university has developed and socialized a 5-year budget forecast—shared with the Board during NAU's 2025 Operational and Financial Review and in a subsequent financial tabletop exercise—designed to provide insight into institutional decision making and strengthen financial discipline through periods of uncertainty. Key to the 5-year budget forecast is growing revenue to balance out forecast declines to research dollars, flat tuition revenue, and constrained state support. The conservative and realistic modeling is designed to foreground revenue from novel sources as a prerequisite for growth or strategic investment. In doing so, NAU's operations will be more efficient, and revenue generating initiatives incentivized in decision making and resource allocation by university leadership.

### **Inventory of Revenue Generating Ideas**

With this foundation in place, NAU has engaged in extensive ideation and planning around potential revenue generating ideas, considering both optimizations to existing revenue streams and entirely new ventures that could propel the university forward. This process has involved inputs at all levels, showcasing NAU's prioritization of transparent communication and action, as well as shared governance. Key groups engaged include the President's Cabinet, University Budget Advisory Board, an all-university call for revenue generating proposals, and other formal and informal forums with representative groups throughout the university.

Through these efforts, which were refined through iterative review by the President's Cabinet, ideas for

new revenue have crystallized around four principal domains:

- **Location and Facility Assets:** NAU's location in Flagstaff and its unique campus offer opportunities to maximizing revenue through rental, partnership, and other means. Optimized structures and sales strategies for camps, conferences, and other activities can contribute revenue, increase year-round utilization of university assets, and do so without interruption to core operations.
- **Educational Programming Innovation:** Exploration of new academic offerings and delivery models—including lifelong learning, certificate programs, microcredentials, and partnership expansions in the business-to-business space—can draw on existing expertise and broaden revenue opportunities beyond traditional populations.
- **Advertising and Media Monetization:** Emerging opportunities to leverage university media assets for advertising and sponsorship revenue are being pursued with an eye toward scalability and brand alignment.
- **Strategic Partnerships and Affiliated Ventures:** Executive leadership has engaged in planning for collaborative ventures, including multi-directional partnerships with Arizona State University and the potential creation of a revenue-focused affiliated entity (working title: NAU Ventures) to commercialize university assets and intellectual property in a structured and sustained manner.
- **Evergreen Portfolio:** With the sale of EBS licenses in FY25 by the NAU Foundation Board, a new Evergreen Portfolio investment tool is being created for discretionary use by the NAU President for strategic initiatives. The fund's first payout will be in FY27 and distribute \$1.8M per year through this separate, more aggressively invested portfolio. This will provide an additional sustained revenue source with critical flexibility for Presidential discretion to support strategic initiatives.

### **Implementation Roadmap for Revenue Generation in FY26 and Beyond**

NAU's approach to prioritizing ideas from across these domains and sequencing their implementation will unfold across three interconnected phases, of which the first is already underway:

- **Immediate Revenue Growth:** Focused on near-term activation of facilities, Flagstaff-based land usage, and advertising/media monetization, these efforts aim to quickly bolster revenue while setting the stage for scalable expansion. Working groups have been convened and prioritization and implementation will begin in FY26.
- **Partnership and Academic Expansion:** Deepening collaboration with Arizona State University and other partners to develop complementary academic programs, technology-enabled platforms, and revenue-sharing models is an area of emphasis. This work will require further feasibility planning in the first half of FY26, followed by contractual agreements to begin implementation.
- **NAU Ventures and Innovation Platforms:** Planning and feasibility work will continue through FY26 to establish an affiliated entity designed to maximize the commercial potential of NAU's resources, intellectual property, and partnerships, providing a sustainable vehicle for ongoing revenue generation. This endeavor will build on other revenue generating ideas, with the ultimate goal of centralizing the university's most scalable assets under a unified leadership and sales structure.

In addition to deploying specific revenue generating initiatives, NAU is also considering a complementary set of financial incentives for revenue generation/cost containment across units. Such an approach would allow new revenues and savings to provide seed funding for a university-supported strategic fund—complementing the \$1.8M/year Evergreen Portfolio from the Foundation—capable of supporting university transformation and strategic initiatives.

Finally, aggressive and intentional optimization efforts have taken place throughout the university to

contain costs and bolster existing revenue sources. Highlights include continued strengthening of NAU Advancement | Foundation, leading to record philanthropic revenue and the imminent public launch of NAU's largest ever comprehensive fundraising campaign; optimization of recruitment and marketing functions to streamline workflow, eliminate duplication, and sharpen focus on recruitment and yield; a digital presence refresh to ensure NAU's websites are a powerful recruitment tool; a nimble domestic non-resident strategic segmentation team to deploy outreach efforts to higher net tuition revenue student populations; strengthened centralized controls on positions and expenditures; contract evaluation and cost savings; and the sale of the real estate including five acres of undeveloped land and the Granny's Closet property to bring revenue and align with campus master planning efforts, among others.

### **Conclusion**

NAU's comprehensive and forward-thinking revenue strategy is a cornerstone of its broader commitment to institutional sustainability and resilience. By integrating innovative financial approaches with mission-driven priorities, the university is creating a diversified revenue foundation to safeguard its future, expand access, and continue delivering impactful education and research.

Through strategic finance, partnership innovation, asset optimization, and philanthropic growth, NAU is not only responding to today's fiscal realities but actively shaping a financially secure and mission-aligned future for Arizona's students and communities.

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## Strategic Finance: A Framework to Sharpen Focus and Raise Revenue

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Strategic finance at NAU represents a deliberate, institution-wide initiative launched in FY25 to weave fiscal stewardship directly into the fabric of every division and decision-making process. Defined as a holistic method to align financial strategies with the university's mission, it emphasizes proactive management of revenues, expenses, and investments to ensure institutional sustainability and impact.

Importantly, this approach is focused on balancing multiple dimensions toward realizing financial sustainability and resilience rather than relying solely on budget reductions. As a result, revenue generation, particularly from novel sources, has been foregrounded as an essential component of successful strategic finance.

The strategic finance framework is organized around four interlocking pillars, which have guided ideation and institutional alignment:

- **Raise Revenue:** Recognizing that tuition and fees are the university's largest revenue source, with relatively lower state support and uncertainty in federal grant and contract revenue, NAU must have a complementary focus on other, diversified revenue sources to maintain its position.
- **Contain Costs:** Finally, operational efficiency is essential, and the university is focused on reducing redundancy and inefficiencies through tight, centralized controls on position management, contracts/purchasing, and the like.
- **Sharpen Focus:** Resources—time, talent, budget—are directed toward initiatives tightly aligned with NAU's strategic priorities. This pillar instructs leaders to sunset low-impact efforts and ensure alignment with broader vision for student access and success.
- **Invest in Impact:** Investments are calibrated to maximize both mission and financial returns. For instance, NAU's focus on academic momentum has led to record retention and graduation rates—providing value for students and generating additional revenue through student retention. Similar high ROI focus areas will be prioritized for institutional resource and effort allocation.

University-wide communication and shared support for this approach has been a key component. From the beginning of the academic year, strategic finance has been the central theme and priority for institutional efforts. This has included university-wide messaging, a collective call for the university community to participate in revenue generating ideation, and finally the creation and dissemination of a 5-year budget forecast to chart the path for NAU's future efforts. The shared contributions to strategic finance have been meaningful, with over 300 distinct revenue generating ideas shared and evaluated by the University Budget Advisory Board to inform institutional focus and actions. This has been strengthened by university leadership contributions to ideas that have coalesced around the core themes identified within this report as ripe for follow up and implementation.

Overall, this grounding process has helped to build a university-wide culture of understanding and support for financial discipline. With revenue as an essential lever for achieving sustainability and advancing mission-aligned work, NAU has greater investment at all levels in an approach that is innovative and entrepreneurial.

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## Revenue Generating Ideation and Inventory

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Over the past year, NAU has engaged the university community in a broad-based ideation process to surface new revenue opportunities—both by enhancing existing efforts and exploring novel, entrepreneurial models. Inputs were solicited from leadership teams, faculty, staff, and advisory bodies

through surveys, working groups, open calls for ideas, and formal cabinet-level reviews. This collective effort yielded a diverse portfolio of proposals, reflecting the creativity and commitment of the campus community.

The ideas shared coalesced into the following overarching thematic areas:

Facility and Space Utilization: Suggestions focused on maximizing the financial return on NAU's physical footprint. Proposals included renting out campus assets through a more structured and intentional sales approach, such as the Skydome, residence halls, classrooms, and event venues for summer camps, conferences, summer housing, concerts, and large-scale community gatherings. Ideas like pop-up shops, seasonal markets, and adult education courses held in evenings or summers emphasized high return potential with modest operational lift. Other ideas held larger startup costs and/or implementation challenges, but offer greater potential for revenue, such as utilizing facilities for concerts and large events, creating tourism partnership that leverage campus space/housing, and positioning NAU's facilities as a premier destination for international athletic training in advance of the LA 2028 Olympics.

Educational Programs and Partnerships: Many proposals emphasized revenue-generating potential through new or expanded educational offerings that leverage the university's existing expertise. Ideas included non-credit continuing education, certifications, and customized corporate training aligned with workforce demand (with demand-driven low overhead to execute). Opportunities in trade and technical fields (e.g., healthcare, information technology, advanced manufacturing) were highlighted as especially promising, particularly when paired with business-to-business partnerships and scalable online delivery models.

Community Engagement and Public-Facing Services: Proposals in this area centered on monetizing the university's academic and service strengths to benefit the broader community. These included public-facing services such as wellness coaching, tutoring, and arts programming, as well as fee-based access to courses and cultural events. Some ideas proposed lifelong learning programs and alumni-targeted offerings that could simultaneously build community and grow revenue.

Operational Efficiency and Strategic Cost Reduction: While not direct revenue streams, much of this work lead to a natural emphasis on the value of reinvestment through efficiency. Suggestions included administrative restructuring, building optimization, strategic use of early retirement incentives, and energy-saving initiatives. These ideas reinforce NAU's commitment to disciplined financial stewardship and can serve as enablers for new investments.

Innovative and Commercial Ventures: These proposals focused on unlocking new external revenue through commercialization, advertising, and digital offerings. Monetizing university-owned IP, licensing technologies, developing spin-off entities, and selling advertising or sponsorships across university-owned digital and physical assets were among the top suggestions. These ideas will require careful development and oversight but represent scalable long-term potential.

Partnerships: Looking beyond NAU's immediate sphere of influence, partnership strategies offer an opportunity to grow mission impact and revenue for the university. The A++ partner network and expanding connections with statewide high school districts for transfer and dual enrollment opportunities offer more traditional enrollment-based revenue opportunities. In addition, discussion between NAU and ASU leadership have identified more ambitious opportunities for inter-institutional collaboration, technology sharing, +1 graduate degree programs, and more, with corresponding revenue sharing opportunities. Finally, NAU's plans for AI implementation offer opportunities for leadership among rural partner organizations that lack AI expertise for training and implementation, where NAU can serve to upskill and enhance local workforces by harnessing new technologies.

Student and Faculty-Driven Initiatives: Finally, several ideas centered on engaging students and faculty in revenue-related initiatives. These included gamified student loyalty programs, faculty-led workshops and consulting, and incentivized innovation competitions to generate bottom-up business ideas from within the university ecosystem.

Together, these themes provide a robust inventory from which the university can prioritize based on feasibility, alignment with mission, and potential financial impact. An important consideration in NAU's approach to evaluating feasibility is the capacity needs to launch a new revenue generating idea, as many involve moderate to significant startup costs and complexity. Given this, a prioritization effort was conducted to focus in on tactical areas of focus where implementation could begin sooner, while more complex and transcendent ideas could be tackled in a later phase.

Four primary areas of immediate opportunity emerged, each with early planning or implementation underway, and each aligned with Cabinet-level coordination to ensure actionable next steps are advance throughout the summer of 2025 for FY26 execution.

1. Hat Ranch: Advancing a Strategic University Asset

NAU's Hat Ranch property, located just outside Flagstaff, presents a unique opportunity for multi-purpose use that blends educational, commercial, and community functions. A working group has been established to activate this as-yet underutilized asset and has been engaged in assessing viable uses for the property. Early-stage concepts include development of seasonal educational retreats, a field station for interdisciplinary research and teaching, and revenue-generating hospitality use (e.g., rentals for corporate retreats or educational tourism). The Hat Ranch team is expected to deliver a focused update by August 2025, detailing early findings, pilot opportunities, and any required capital or policy considerations.

2. Flagstaff Campus: Reimagining Venue Use and Activation

The Flagstaff campus has significant potential to host a broader range of revenue-generating events, particularly during academic breaks and weekends. Opportunities identified include:

- Large-scale event hosting (concerts, expos, and the like)
- Expansion of summer camps and conference rentals during peak outdoor/tourist season in Flagstaff
- High school and regional sports events (playoffs, tournaments, and the like)
- More efficient coordination of venue and parking use, as well as fee structuring to maximize returns from rentals

These activities are currently being scoped, with special attention given to aligning events with available parking and limiting disruption to campus life during the standing academic calendar. Additionally, the team is exploring pricing models, marketing strategies, and facility management practices used by peer institutions to benchmark potential revenue and scalability. A summary of actionable items and existing pilot programs will be developed by August, with an eye toward immediate wins in FY26 and longer-term program development.

3. Expanding Educational Offerings for Lifelong Learners

Facilities are not just spaces for events—they are learning environments that can be utilized year-round. A common theme among revenue generating ideas was to leverage educational expertise to activate classroom and gathering spaces for lifelong learning audiences, particularly in the summer and off-peak periods, as well as online and business-to-business platforms. Feasibility assessment is being conducted on the following main areas for expanded non-traditional learning and revenue opportunities:

- Continuing Education offerings tied to professional development
- Road Scholar or similar programs for educational tourism
- Retirement learning communities and alumni education programs

This approach aligns with demographic trends and leverages NAU’s academic strengths while generating tuition or fee-based income from nontraditional audiences. Preliminary scoping is underway to assess infrastructure, instructional capacity, and potential market demand.

#### 4. External Advertising and On-Campus Monetization

In addition to space utilization, NAU is focusing on opportunities to monetize physical and digital spaces for advertising. This includes leveraging buses, bus shelters, digital monitors in buildings, and other high-visibility areas for sponsored placements and brand partnerships.

A working group is benchmarking these opportunities, with an eye toward scale, returns, regulatory consideration, and brand alignment throughout the conversations. Preliminary recommendations are anticipated by end of summer 2025 to inform any infrastructure and/or policy changes that would enable implementation to begin.

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### **Implementation Roadmap confidential**

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To translate the broad spectrum of ideas for revenue generation into concrete initiatives with built in assessment measures for impact and efficacy, NAU has developed a phased implementation roadmap to operationalize strategic finance efforts in FY26 and beyond.

1. Immediate Priorities (FY26 implementation with scaling to follow)
2. Partnership Exploration and Training Expansion (FY26 planning with implementation to follow)
3. NAU Ventures Affiliated Entity (FY26 planning and FY27 implementation)
4. Evergreen Fund (FY27 implementation)

#### Phase #1: Immediate Priorities (FY26 implementation with scaling to follow)

Beginning in FY26, NAU will activate a suite of revenue-generating initiatives that are low-barrier, high-potential, and ready for near-term implementation. These efforts focus on monetizing underutilized assets and responding to seasonal market demand, while creating capacity and proof points for broader scaling in future years. These involve the outputs from the current focal areas identified in section 3 and are as follows:

- Hat Ranch
- Summer Camps, Conferences and Housing
- Lifelong Learning Opportunities
- Advertising and Campus Monetization

These efforts have clear Cabinet-level ownership, operational support, and integration into the FY26 budget framework. They represent the first wave of a multi-year roadmap—designed to deliver early returns, build internal momentum, and inform scaling strategies for sustained impact. As each area is evaluated for efficacy and return on investment, recalibration and/or additional investment will be made to scale accordingly. The focus of this early implementation is low startup cost, with returns anticipated to be modest but growing over time.

Phase #2: Partnership Exploration and Training Expansion (FY26 planning with implementation to follow)

In parallel with immediate activation efforts, FY26 will serve as a foundational year for planning and structuring a set of longer-term partnership and training initiatives. These include academic collaborations, digital platform development, and industry-aligned training programs that require coordinated investment and formalized agreements before implementation.

NAU will prioritize the exploration of strategic partnerships—including ongoing dialogue with Arizona State University—to pursue complementary academic offerings, co-branded initiatives, and shared infrastructure. This work will involve detailed feasibility planning, stakeholder engagement, and legal/contractual alignment, with the goal of implementation readiness by late FY26 or FY27.

At the same time, NAU will expand its capacity for non-credit workforce training and lifelong learning, with an emphasis on customized offerings for Arizona employers and adult learners. This includes scoping out new programmatic formats, pricing strategies, and digital delivery infrastructure that can serve working professionals and meet regional labor market demand. Included within this dimension is a specific AI-focused initiative, where NAU will serve as a regional leader in convening public partners for AI workforce training and development. Success of this pilot model can lead to broader scaling, including to statewide educational and public sector partners, and national higher education associations with a focus on rural impact.

These efforts represent a critical evolution in NAU’s portfolio—from traditional degree programs to more flexible, scalable models that address workforce needs and diversify revenue. FY26 planning will set the foundation for robust, mission-aligned implementation and growth in the years to follow.

Phase #3: NAU Ventures Affiliated Entity (FY26 planning and FY27 implementation)

To fully realize the commercial potential of its intellectual property, partnerships, and physical assets, NAU will develop a centralized innovation and commercialization affiliated entity—tentatively named NAU Ventures. This entity is envisioned as a separate, affiliated organization with dedicated leadership, governance, and entrepreneurial agility.

Throughout FY26, NAU will undertake structured feasibility planning and stakeholder engagement to design the platform’s operating model. This includes clarifying legal structure, investment pathways, and integration points with existing university operations. Planning will also identify early-stage assets with potential for monetization, such as research innovations, continuing education offerings, digital media, and specialty facilities.

The affiliated entity is intended to:

- Centralize and scale university-led entrepreneurial activity.
- Attract external investment and partner participation.
- Serve as a revenue-generating engine for both the university and affiliated entities.

By FY27, the goal is to launch the platform and begin onboarding initiatives that demonstrate near-term potential and long-term scalability (including many Phase #1 initiatives). NAU Ventures will serve as the university’s flagship innovation engine—driving sustained financial diversification and reinforcing NAU’s position as a leader in responsive, mission-driven enterprise.

Phase #4: Evergreen Fund (FY27 implementation)

Beginning in FY27, NAU will benefit from a new, independent strategic investment vehicle—an evergreen fund established by the NAU Foundation following the successful sale of its Educational

Broadband Service (EBS) licenses in FY25. This fund will be managed as a more aggressively invested portfolio and will distribute \$1.8 million annually in perpetuity to support transformational university initiatives.

Unlike traditional endowment funding, this evergreen fund is designed to provide flexible, discretionary resources under the purview of the NAU President. Its purpose is to enable swift, high-impact investments in innovation, pilot programs, and cross-cutting projects that may not fit neatly within standard budget structures. It will operate alongside—but independent from—the university’s internally generated strategic reinvestment fund, creating a dual-engine approach to funding institutional transformation.

Together, these funds will allow NAU to embrace a proactive, investment-oriented mindset. The Evergreen Fund, in particular, represents a critical long-term asset that preserves capital while generating reliable payout—enabling visionary projects, advancing institutional distinction, and reinforcing NAU’s capacity to lead boldly in a dynamic higher education landscape.

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### **Complementary Efforts confidential**

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To ensure that NAU’s revenue and cost-containment strategies are both sustainable and scalable, the university must establish internal structures that align incentives, foster collaboration, and reward innovation. These complementary efforts can unlock untapped capacity across units and cultivate a more entrepreneurial culture. While not strictly in the realm of revenue generation, these efforts are important background to support the overall strategy outlined in this report.

Below are several key highlights of activities undertaken throughout the past year to bolster the university’s overall financial resiliency and outlook.

#### Equitable Value Fund: Opportunities for Matching Contributions

In 2022, NAU established a strategic Equitable Value Fund thanks to seed contributions from ABOR (\$20M) and the NAU Foundation (\$10M). Using an innovative model whereby the seed investment was leveraged to secure external matching fund from foundations and private donors to double (or more) the impact, NAU has had tremendous success in securing additional funding. Nearly three times the original ABOR investment has been returned, which is being directly invested into mission driven initiatives. Moving forward, NAU will seek to continue this strategy as an accelerant for external investment in the university’s mission.

#### Internal Incentivization and Creation of Strategic Fund

Currently, revenue generation and cost containment are often siloed, with limited direct benefit flowing back to the units that originate them. NAU has conducted reviews of budgeting processes and incentives and plans to deploy internal incentives to reinforce revenue generation/cost containment among units and aid in the development of a centralized strategic initiative fund:

- **Shared Revenue Models:** For programs or services that generate new revenue (e.g., continuing education, facility rentals), consider structured agreements where originating units retain a portion of net revenue. This encourages grassroots innovation and improves local reinvestment capacity.
- **Cost Containment Recognition:** Units that identify and execute meaningful cost savings should be eligible for performance reinvestment—especially when those savings are recurring and support institutional priorities.

- **Transparent Incentive Frameworks:** Any new incentive model must be clearly defined, consistently applied, and built on trust. Clear metrics, regular reporting, and leadership sponsorship will be essential to ensuring credibility and campus buy-in.
- **Strategic Seed Investment Fund:** To accelerate promising initiatives, NAU will consider creating a Strategic Seed Investment Fund that draws from recaptured cost savings and novel revenue, sweeping into a standalone portfolio that can enable high impact, mission-aligned investment.

#### Strengthening Core Revenue Sources and Bolstering Cost Containment

While new and enhanced revenue streams are critical, NAU's long-term fiscal health also depends on shoring up and expanding its core traditional revenue sources—particularly tuition, fee, and auxiliaries earned through enrollment and retention of students—and this area has been the focus of significant attention and strengthening over the past year. In addition, the university has sharpened its focus on containing costs to meet 5-year budget forecast targets. Numerous efforts have contributed to cost containment and efficiency. Several key enhancements made throughout FY25 across these areas are listed below:

- **Enrollment Growth and Optimization:** A more competitive, dynamic enrollment strategy is central to NAU's success. This year, Enrollment and Marketing underwent an organizational merger to reduce duplication, streamline services, and grow enrollment impact potential. The refreshed divisional model is being deployed currently with a tightened focus on recruitment and yield across marketing investments.
- **Digital Experience Refresh:** A modernized, user-friendly web presence is urgently needed to support recruitment and brand visibility. This includes reimagining the admissions journey online, streamlining access to information, and conveying NAU's distinctive value clearly and compellingly. Resources have been allocated to this effort with launch planned for early FY26 to support the FY27 recruitment cycle.
- **Market Segmentation:** Continued market research on domestic non-resident students has identified key segments where NAU and Flagstaff offer a highly attractive value proposition and student experience. NAU has created a nimble segmentation team to enhance efforts to recruit and yield across these higher net revenue student populations.
- **Retention and Value:** Thanks to university-wide focus on academic momentum, NAU has realized record retention and graduation rates. With forecast demographic declines and greater competition in the enrollment market, renewed emphasis on persistence is essential to maximize revenue potential from student tuition and fees. Continued evaluation of retention-focused program efficacy will be a priority for NAU to ensure students continue in their studies and that services in support of students are effective and efficient.
- **Position Control:** NAU has enhanced centralized oversight of position approval and attrition/replacement, given that the majority of the university's expenditures are related to personnel. This approach is essential to remaining adaptable to financial uncertainty and achieving 5-year budget forecast targets for expenditures.
- **Contract Evaluation:** Numerous contracts have been evaluated throughout the university, seeking optimized purchasing agreements in some cases, while sunseting lower efficacy agreements in other cases. Within the enrollment and marketing domain alone, approximately \$4M in savings have been realized through sunseting or renegotiating contracts to eliminate duplication and better align with institutional goals.
- **Sale of Granny's Closet:** With ABOR approval, NAU will finalize the sale of the Granny's Closet property, better aligning property inventory with the university's master plan goals and bringing in revenue through the sale and negotiated parking agreements. This complements the previously approved sale of five acres of undeveloped land in East Flagstaff.

#### Philanthropy

Philanthropy remains a high-potential and mission-aligned source of long-term investment. NAU has had tremendous success in this area over the past four years, with records set for total fundraising and principal gifts supported by an organizational and operational refresh that is helping NAU exceed fundraising goals. To maintain momentum on this front, NAU is launching a comprehensive capital campaign in fall 2025, which will coordinate efforts across its alumni and philanthropy communities to raise \$300M.

The campaign is focused around essential pillars that can provide the greatest appeal to prospective donors, while also providing direct support (with maximum flexibility) to areas of immediate need for the university:

- Student Support (scholarships)
- Faculty Support (endowed chairs and professorships)
- Programmatic Support (college, department, institute, and program naming opportunities)
- Capital Support (building and space naming opportunities)

Together, these efforts will reinforce the foundational elements of NAU's financial model while complementing the emerging areas of innovation detailed earlier in this report.

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## **Conclusion**

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This report reflects a pivotal moment for Northern Arizona University. In the face of external pressures—fiscal, demographic, and policy-related—NAU has chosen not just to adapt, but to lead. Through this structured revenue stream initiative, the university has identified promising ideas, empowered cross-campus engagement, and begun to build a more resilient and opportunity-driven financial future.

Moving forward, the roadmap is clear: act with urgency where opportunities exist today, build the infrastructure and policies for longer-term success, and remain agile as the environment continues to evolve.