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FY 2017 ABOR Financial Aid Report, Cost Study, Contracts for Presidents and Football Coaches Among Highlights of ABOR Special Meeting

Following are news briefs from the Arizona Board of Regents special board meeting on Wednesday, December 13. The full board materials are available [here](#).

Board Releases Findings of Newly Revamped FY 2017 Financial Aid Report

The Arizona Board of Regents today approved the FY 2017 Financial Aid Report, which details increasing accessibility to financial aid for students, leading to record enrollment, retention, graduation and diversity at Arizona's public universities.

As the governing board of Arizona's public university enterprise, ABOR is actively working to increase the number of Arizonans who pursue and complete a university education. Access to financial aid remains integral to that goal, particularly as the vast majority of students attending Arizona's public universities rely on financial aid to help fund their education.

The 2017 ABOR Financial Aid Report provides extensive analysis and trends for Arizona's public universities and serves as an important tool for addressing affordability and accessibility in Arizona higher education. The report also enhances accountability and transparency – allowing the public to easily access and understand how each university utilizes financial aid to achieve greater student success.

"We have significantly revamped our report this year, offering new sections that highlight issues critical to our state, such as detailed explanations of the types and sources of financial aid and expanded information on student debt and default rates, both lower than the national average," said ABOR President Eileen Klein. "As well, in line with our continued pursuit of innovation and transparency, this year's report has been redesigned as a user-friendly, mobile-compatible digital magazine. This new format, with extensive links that enable users to easily navigate the data-rich report, ensures greater accessibility to the report for Arizona students, families, legislators and policymakers alike."

"In recent years, the Arizona Board of Regents has implemented a number of innovations aimed at making our universities more affordable and accessible – and we've enjoyed great success in attracting and retaining record numbers of students," said Chair Bill Ridenour. "While the board remains

committed to doing our part to improve the delivery model, keep costs low and minimize tuition increases, this report also underscores the critical role of the state in keeping a public university education in reach for more Arizonans.”

Below are key findings from the 2017 Financial Aid Report:

- Arizona’s public universities continue to show substantial enrollment increases in both resident and non-resident students in an era where many public university systems are seeing little or no growth, or are facing declining enrollments. Together with the quality educational programs offered, Arizona public universities’ financial aid strategies have played an important and critical role in attracting and retaining record numbers of students.
- Arizona student demographics have evolved over the last 10 years. Arizona high school graduates are increasingly coming from populations that traditionally have been less likely to attend college, such as Hispanic and first-generation students as well as students from lower socio-economic backgrounds. Despite the increase in historically disadvantaged populations, the percentage of high school graduates attending Arizona’s public universities has remained constant. Accessibility to institutional financial aid has yielded record diversity at Arizona’s public universities.
- While the number of students graduating with debt has increased over the past several years, the amount of debt taken on by those graduates remains flat and is less than the national average. Furthermore, the default rates at Arizona public universities are the lowest among higher education institutions within Arizona and are below the national average.
- The wages of graduates from Arizona’s public universities are strong and have improved significantly over just a few years, demonstrating that earning a degree from Arizona’s public universities is a sound investment.
- With limited state investment in financial aid for resident students, Arizona’s financial aid model is heavily reliant on the revenue generated from tuition and mandatory fees from non-resident students. Arizona’s public universities have been successful in increasing new student enrollment from non-resident students at a time when the vast majority of the nation’s public universities have not experienced enrollment growth. This report underscores the fact that Arizona’s students and families need the state as a long-term partner to ensure affordable access to our public universities.

Click [here](#) to view the full report.

Arizona Public Universities’ Cost to Educate a Resident Undergraduate Less than National Average

What does it cost to educate a full-time resident student at an Arizona public university?

A thorough cost study currently conducted and verified by an independent third party shows that compared to public university peers, Arizona's public universities graduate a higher percentage of students at a lower cost. The recent cost study determined that in FY 2016, Arizona’s public universities cost per student (\$16,813) was lower than the aggregated national average of four-year public institutions, including both research and non-research universities. Current state support for Arizona resident students, including one-time funds, is approximately \$5,630 per student. Based on this data, to

attain the goals in the [resident student funding model](#), state investment in resident students would need to increase to \$7,898 per student.

Arizona Revised Statutes §15-1650.03 (A) requires ABOR to complete the cost study by December 15, 2017. The legislation outlines the following elements to be included in the report:

- The use of instructional fees at each university, including differentiating between mandatory fees, program fees and course fees.
- Differentiated costs between programs of study, including differential tuition and program and course fees.
- The costs of faculty and administration differentiated between the amount of time needed to instruct students and to conduct research.
- A breakdown of where tuition dollars are allocated, including the amount that is not directly attributable to instructional costs.
- An analysis of the marginal cost and the average cost of a student depending on the type of program in which the student is enrolled, including online programs.

“This independent review further underscores the value of an Arizona university education compared to peer institutions,” said President Klein. “Moreover, it validates the methods and metrics we’re using to accurately and effectively assess the cost of a public higher education in Arizona.”

The complete report, including methodology and comprehensive findings for each of Arizona’s three public universities, can be found [here](#). Below are the key takeaways:

- During fiscal year 2016, on average, Arizona’s public universities spent \$16,813 per student.
- This cost is based on nationally established financial reporting standards and audited financial information.
- ABOR engaged Grant Thornton, a national accounting firm, to independently verify the presented information and provide comparisons with peer universities.
- Grant Thornton found Arizona public universities’ use of the data is correct.
- Grant Thornton also determined Arizona’s public universities cost per student is lower than the aggregated national average of four-year public institutions – an average that includes both research and non-research universities.
- After adjustments for inflation, fiscal year 2016 per student expenditures were \$838 less than per student expenditures in fiscal year 2008.

Presidents’ Contracts

Each year, the board’s Regents Executive Committee conducts a preliminary review of each president’s contract. Included is an evaluation of “at-risk compensation,” or payment based on performance and dependent upon achievement of various assigned goals.

During its meeting, the board approved payment for at-risk compensation goals for Northern Arizona University President Rita Cheng, Arizona State University President Michael Crow, former University of Arizona President Ann Weaver Hart and Arizona Board of Regents President Klein. “The goals assigned to our university presidents are aggressive, ambitious and designed to advance the long-term mission of our public university enterprise,” Ridenour said. “Arizona is fortunate to have in our presidents outstanding leaders who are taking these responsibilities head on and producing results for our

students, our institutions and our university system. Their leadership is a key component in keeping Arizona's public universities among the most innovative and performance driven in the nation."

In a 4-3 vote, the board did not approve the at-risk compensation for the assignment of the Enterprise Executive Committee.

A detailed summary of these goals can be viewed [here](#).

NAU and ASU Football Coaches Contracts Approved

Multiple-year contracts for university employees were another key focus of the meeting, and in the spotlight were head football coaches at NAU and ASU.

ABOR policy requires board approval for multiple-year employment contracts.

Northern Arizona University asked the board to amend and extension of the contract of head football coach Jerome Souers, whose current contract is set to expire on Jan. 31, 2018. The board authorized the extension of Souers' contract until Dec. 31, 2018. All other previously approved terms remain unchanged.

Souers is the all-time winningest football coach at NAU and in Big Sky Conference history.

The board also approved a multi-year contract for Herman Edwards' employment as head football coach at ASU, with the following amendments to the proposed contract terms: Minimum requirements to receive bonus pay for GPA/GSR and APR performance will be increased to current levels; and liquidated damages, should the coach be terminated without cause, may be reduced should the coach accept a head coaching position at any university or a university athletic position at a Power 5 school.

The contract will expire Dec. 31, 2022. His initial salary will be \$2 million with a \$250,000 increase after each year of service. Edwards' salary will be paid with revenue generated by Sun Devil Athletics.

Edwards most recently served as an NFL analyst for ESPN, appearing primarily on NFL Live, SportsCenter, ESPN Radio and other broadcasts. He also served for the past eight years as one of the coaches for the Under Armour All-America Game, featuring the top high school football recruits in the country.

ABOR Chair Bill Ridenour shared that the board had received feedback from the community regarding the contract for Edwards. "Collegiate athletics has changed so much in recent decades – it has become a major vehicle to showcase our universities to the world. I love our universities and I'm a big fan of college sports, but I understand why the big-business aspect of it raises concerns. If the Arizona Board of Regents is going to continue to approve these multi-year athletic contracts, we must be sure the process is transparent and accountable to the public," Ridenour said. At the meeting, Chair Ridenour directed board staff to review multiple-year policies and guidelines to determine opportunities to ensure greater transparency and accountability in the process. "I am very empathetic to the public concern. These coaching contracts are complex, and although to be competitive - the salaries for coaches are high - it is important for the public to have confidence in our process. That will be a focus of discussion for the board going forward."

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