

Never Settle Strategic Academic & Business Plan: A Sound Approach to Business and Finance

Interim Senior Vice President, Business Affairs, and Chief Financial Officer
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*As we continue our Special Report on the **Never Settle** ^[1] Strategic Academic & Business Plan, James Hyatt discusses the approach the UA will take in business and financial planning in an era of declining state support and increasing fiscal need.*



By James Hyatt

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The fiscal pressures on higher education that began before and continued during the Great Recession will impact public universities for some time to come. In order to achieve the ambitious goals outlined in the **Never Settle** ^[1] Strategic Academic & Business Plan, the UA will need a sound business and finance approach.

During the period of FY 2002 to FY 2012, there were major changes in the ways in which the UA was funded:

- Funding from state appropriations declined;
- Funding from tuition and fees increased, in part to offset the reduction in state support;
- Sponsored research funding increased; and
- Gift funding gained importance as a major funding source.

To achieve the aggressive goals we've set forth in **Never Settle** ^[1], we've created a strategic business plan that is grounded in four key areas:

- Growing both traditional and online enrollments that meet and exceed ABOR metrics.
- Significantly increasing extramural research funding.
- Growing private giving and launching the public phase of a capital campaign.
- Seeking state investment in operating and capital support.

The UA's total enrollment has been increasing. At the peak of the recession in 2009, our total headcount was 38,767. Last year, it was 40,223. To meet 2020 enrollment goals set by the Arizona Board of Regents, we will increase our headcount by 9,000 students over the next six years. As discussed by my colleagues in previous editions of this special report, we will strive to achieve this goal through differentiated academic programming, research expansion and growth in alternative pathways to a degree, particularly in the online and community college transfer arenas. With the projected increase in online enrollments, total enrollment at the University is projected to increase to 54,543 students by fall 2020.

In the area of faculty research productivity, the UA ranks high. Compared with our peers nationally, the UA ranks No. 7. To achieve the research productivity goals set forth in the **Never Settle** ^[1] plan, the UA will need to double research expenditures by 2023. As noted in an earlier report by Dr. Jennifer Barton, our FY 2013 research expenditures were \$632 million. Growth is predicted to occur in seven focused areas of interdisciplinary research that have the potential to double our research expenditures. Those areas, as Dr. Barton noted, are population health/health outcomes, health care disparities, precision medicine, neuroscience, defense and security, space systems, and water and the arid environment.

Efforts around private support will accelerate with a goal of raising annual gifts over a four- to five-year period. This funding will be allocated to support students, faculty and campus-wide programs. As part of this effort, the University is preparing for a major capital campaign to be launched in the spring of 2014.

We also seek to enhance our research infrastructure. Through a \$1 billion bond package the Arizona Board of Regents will ask the state Legislature to authorize, the UA would receive \$450 million for the construction of new research facilities and the renovation of existing buildings. If approved, the work would begin in 2016.

To learn more about the UA's efforts toward A Sound Approach to Business and Finance, please plan to join President Hart, other senior leaders and me this Friday, Nov. 22, when we present the **Never Settle** ^[1] Strategic Academic & Business Plan to the Arizona Board of Regents. Details about the presentation can be found in this recent **campus memo** ^[2].

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Links

[1] <http://www.neversettle.arizona.edu/> [2] http://president.arizona.edu/memos_letters/never-settle-strategic-academic-and-business-plan-presentation-abor-nov-22