



**Northern Arizona University  
State of Arizona FIVE-YEAR STRATEGIC PLAN  
FY 2005-2009**

**Preamble**

This document presents a summary of Northern Arizona University's strategic plan for the period 2005-2009. The report reflects NAU's plans to broaden access and strengthen its undergraduate education base, its focused graduate and research programs, and the extended learning network that provides educational access to place-bound students of all ages.

Northern Arizona University, along with the community college system and the other public universities, faces a future environment of both increased student demand for education and a climate of declining state resources. The ability to maintain and advance quality teaching and learning in this environment, as well as support Arizona's growth and economic development, provide the context for this five year plan.

The 2002-2003 Changing Directions initiative of the Arizona Board of Regents and the capital construction and renovation budget packages passed in the last two budget cycles have provided some new tools to help us meet these challenges. The tools, which include a rationale for tuition setting;<sup>1</sup> discretion to manage enrollments to support the institutional mission; elimination of university-specific geographic boundaries; and state support of the deferred maintenance and research capital infrastructure, are integral to Northern Arizona University being able to achieve its strategic plan.

However, these tools are not enough. To provide access to Arizona's growing population, to meet workforce needs, and to maintain institutional integrity, this plan assumes state support to address a small number of key issues. These include the expansion of the nursing program, addressing the non-competitive state of faculty/staff salaries, and the restoration of building renewal funds after a three-year lapse. The university also requires funding to expand educational access to Arizona residents, improve technological strategies for program delivery and student services, and support modern communications strategies.

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<sup>1</sup> Set a tuition rate that better reflects the cost of providing a quality education while maintaining tuition at a level that ensures Arizona's public universities are among the most affordable in the country (top of lower one-third of a 50 state comparison of senior public universities).

## **Mission and Description**

*Northern Arizona University's historic three-part mission is: 1) to provide superb undergraduate education on the Mountain campus; 2) to offer top-flight research and graduate programs that make superior education possible; and 3) to deliver education to place-bound students statewide.*

Northern Arizona University is a doctoral/research intensive institution that has at its core undergraduate programs, significant research, and graduate programs appropriate to its size and classification. Northern Arizona University aspires to be an excellent undergraduate residential institution that provides its students with a challenging liberal arts and sciences curriculum integrated with extensive professional programs. The Mountain Campus is unmatched for natural beauty and for a student-centered learning environment. Undergraduate programming assures the individual development of NAU students through small classes, close interaction with senior faculty, and sophisticated learning technologies found at the nation's leading universities.

Northern Arizona University provides exceptional quality in a selected number of post-baccalaureate certificates, master's and doctoral programs. The university seeks to expand its post-baccalaureate programs to keep up with the emergence of new interdisciplinary fields and the changing economic needs of society. The University's faculty, organized in departments, schools, research centers and institutes, serves the advancement of knowledge in numerous traditional disciplines, in fields related to NAU's unique natural and cultural environment on the Colorado plateau, and in targeted response to the real world needs of the state, region and nation.

NAU is a central part of the Northern Arizona and Flagstaff communities. It reaffirms its traditional mission to serve rural Arizona and Native American peoples, and it pursues extra-university partnerships that will provide economic, cultural, and social opportunities for all citizens of the region. Consonant with its mission to serve the state, the university has innovative relationships with community colleges, operates a center in Yuma, and is expanding technology-based education delivery to offices, homes and locations around Arizona.

## **Strategic Issues**

- **Maintain and enhance undergraduate educational excellence in a residential learning community**

Superior undergraduate education on the Mountain campus lies at the center of all that NAU stands for and seeks to accomplish. NAU offers a student-centered undergraduate education distinguished by small classes, close interaction between professors and students, and a friendly, supportive, active campus environment.

As emphasized in Changing Directions, Northern Arizona University will build in the future on this strength in undergraduate education. Strategies that further this goal include instructional initiatives underway to provide improved advising for entering students, to better prepare entering first-year students for academic success, to assess program effectiveness, to increase undergraduate involvement in research, and to improve student services. Future directions for NAU also include developing a joint legislative agenda with community colleges to provide more four-year educational opportunities and facilities in rural areas.

Equally important strategies involve major construction and renovation projects. Buildings and infrastructure improvements will dramatically improve instruction, research, and residential living and learning facilities. Construction of a new College of Business Administration which will provide student centered spaces, community learning spaces, and state of the art computer learning labs is one example of Northern Arizona University's capital planning efforts. Additional detail is outlined in another strategic issue discussion that focuses on revitalizing NAU's buildings and infrastructure.

- **Increase and manage enrollment**

Northern Arizona University must improve its diversity, accessibility, and graduation rates through targeted attention to recruitment, retention, and changes in the market for programs and certificates in Arizona's metropolitan and rural areas. After growing rapidly from 1984 to 1995, NAU's growth slowed, and for the past several years enrollment has hovered just below 20,000 students. During that time, the university experienced a decline in enrollment at the mountain campus; however students taking classes from statewide sites and in Yuma doubled between 1990 and 2002 to approximately 6,000 students. In 2003, NAU experienced an enrollment decline of approximately 1,100 students, primarily Flagstaff campus students.

The need to make enrollment growth and management a top University priority was initially addressed as an issue a year ago, and several strategies have been implemented to address the concern. Initiatives to grow the Mountain Campus include restructuring student recruitment, admissions and retention offices and strategies. NAU's strategies to recruit and retain students incorporate the continuing implementation of a new, more powerful, electronic student administration system, reallocating resources to recruit a

more diverse student body, developing techniques to identify prospective students who are the best fit for the Mountain Campus, and recruiting them aggressively. In addition, partnerships are being formed with a variety of campus, community and educational entities that will contribute to increasing enrollment on the Mountain Campus.

An equally important part of Northern Arizona University's five year plan is to build enrollment and increase revenue through Distance Learning. NAU will increase its web, video and on-site program delivery to rural and urban Arizona residents as well as to expand its activity in professional market niches. It will seek to work cooperatively with community colleges to provide place bound community college students a chance to complete their four-year degrees. NAU will continue to develop and refine student support services provided on-site and via technology to maintain competitiveness by improving distance student experiences and learning outcomes.

- **Increase research, graduate education and economic development**

Research and graduate education are inextricably linked to NAU's undergraduate mission because they allow Northern Arizona University to attract high quality faculty and students and to sustain a stimulating and productive intellectual environment. NAU currently offers graduate students 48 masters degrees, 9 doctoral degrees, and 82 certificates. NAU intends to continue to expand statewide delivery of graduate and professional programs that add to Arizona's economic development by addressing critical workforce shortages. Examples include post baccalaureate degree and certificate programs in teacher education, engineering, information technology, business, nursing and other health professions.

Northern Arizona University will also build on its already substantial research program, which more than doubled extramural awards to over \$50 million from 1999 to 2002. As compared with its peers nationally, NAU's research award performance is notable. NAU undergraduate and graduate students benefit from working with nationally and internationally recognized environmental and bioscience researchers. NAU's rich heritage of applied research and public service bridges the gap between academic disciplines and real problems bringing benefits to citizens and communities. The region, state, and nation are served by many active research centers which are addressing critical ecological and economic issues associated with fire and forest management, bacterial pathogens, sustainable community development, global climate change, and tribal environmental quality. Other research centers and institutes address the human dimension through externally funded public service programs.

NAU seeks to continue to grow its research and economic development mission. Strategies include generating patents and licenses of intellectual property and new business spin-offs that will contribute to the economic development of Northern Arizona communities and the state. Specifically, NAU will engage in the construction and development of a new applied research and development building; partnerships in research initiatives such as Translational Genomics Research Institute (TGen); and strengthening research in the Sustainable Systems, Bioengineering, Communications, and Information technology platforms as recommended in the Battelle Institute report

*Positioning Arizona and Its Research Universities: Science and Technology Core Competencies Assessment*, April 2003.

- **Invest in the teacher preparation and health profession pipeline; expand the supply of Arizona professionals in high demand markets**

Northern Arizona University intends to continue to expand its offerings of high demand post-baccalaureate and certificate programs, as well as selected undergraduate programs in Phoenix, Tucson and other metropolitan areas in the West. NAU will also develop partnerships with Arizona Regents University, Arizona State University, the University of Arizona, and Arizona community colleges to deliver excellent, affordable workforce-development programs when and where they are needed. NAU will build on its Master's of Science in Management, accelerated B.S. in Nursing and Fast-Track Teacher Certification degrees by offering programs that use bachelor's degrees in multiple disciplines to provide a short-term path to different careers. NAU is committed to offering courses and programs on community college campuses to provide greater access to four year degrees and to address needs in high-demand degree-completion programs.

Growing workforce shortages in health care delivery and elementary and secondary education were highlighted as critical concerns of task forces such as Arizona At Risk. NAU already educates many professionals for high demand markets such as teacher preparation and allied health professions, but increased or new funding sources are required to expand capacity in these programs, which require a high level of support per student. Northern Arizona University, in support of the Arizona Biomedical Collaborative (ABC) goals, continues to plan to expand the nursing programs. The programs included are the accelerated program as well as the BS program. In attempting to address ABC's highest educational priority, NAU has worked on the tri-university proposal for the Governor's WIA Discretionary Funding to expand registered nursing training in Arizona's Community Colleges and Universities. NAU's ability to enlarge its programs, however, depends on new funding sources such as a state budget decision package, contributions from the health care industry, and expanded private and federal support. Significant program expansion would require facility expansion, funds for new and existing nursing faculty salaries, and operations support.

- **Improve compensation in order to attract and retain productive faculty and staff**

Compared to faculty salaries at institutions of a similar size and complexity everywhere in the country, NAU's salaries rank at the bottom of the list. The *Annual Personnel Report for the Arizona University System*, October 2003, shows Northern Arizona University's faculty salaries are at the 5th percentile for all faculty ranks compared with its approved peer institutions. NAU was at the 19<sup>th</sup> percentile in 2000, dropped to the 7<sup>th</sup> percentile in 2001, and dropped further to the 5<sup>th</sup> percentile the last two years. Average peer salaries are 20% higher than NAU's average salary, and 15 of the 17 comparator universities pay higher average salaries than NAU.

The low salaries are directly responsible for the loss of faculty who have developed their teaching and research skills to their most productive level. Every year, distressing numbers of NAU's best and brightest leave for salaries that can not be matched. NAU's graduate and research programs are select in number but extremely high in quality, and faculty in these programs are nationally or internationally known in their fields. These professors in turn attract and mentor the junior faculty. Retention of these faculty members is critical to maintaining university and program excellence. Retention is not only economically sound, it also directly impacts the performance of the institution and ultimately the performance and employment opportunities of Arizona graduates.

Low salaries also hinder recruitment of excellent faculty who are willing to join NAU. Compounding the difficulty, young faculty must relocate to an area with very high housing costs and a higher cost of living than the rest of Arizona and most of the country. Each year NAU loses many bright prospects because the university cannot offer competitive salaries. Non-teaching professional and classified staffs also suffer serious salary deficiencies.

A.R.S. 41-763-01 requires the Arizona Board of Regents annually to submit a report on university personnel to the Governor and the Legislature. In November 1996, the board adopted a plan to restore competitiveness to university salaries; this plan was designed to raise the average salaries of employees to the 50th percentile/market average. NAU's five-year plan incorporates the funding required by that report, as well as the *Competitive Salary Request* in the Fiscal Year 2004-2005 State Budget Request.

- **Revitalize Northern Arizona University's buildings and infrastructure**

NAU's deferred maintenance status as of June 30, 2003 was estimated at \$147, 280,793<sup>2</sup>, with a facility condition index of .27<sup>3</sup>. The facility condition index identifies ten buildings that are in such poor shape that they should not be renovated, and another 33 buildings that have significant infrastructure problems. Additionally, by ABOR guidelines, NAU's space management analysis shows a shortage of research, laboratory and office space. However, House Bill 2529, the research infrastructure bill, and a system revenue bond issuance in 2004 provide Northern Arizona University with the opportunity to address some of these enormous deferred maintenance needs.

Four previously approved projects—Modular Swing Space Phase II, Applied Research Facility, College of Engineering and Technology Renovation, Campus Infrastructure Upgrades—and a new College of Business Administration capital project are identified for action in the 2004 Capital Development Plan. New construction for the College of

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<sup>2</sup> Estimates of infrastructure deferred maintenance remain a separate issue, and will require the implementation of a new system to review and measure the backlog. Current estimates of infrastructure deferred maintenance are approximately \$330 million.

<sup>3</sup>The facilities condition index (FCI) is a ratio of the estimated deferred maintenance to the estimated building replacement value. An FCI less than 0.05 is an indication that facilities are in "good" condition. An FCI greater than 0.15 is an indication of facilities that are at risk for failure or non-functionality if significant renovation or replacement does not occur soon.

Business Administration, using a project budget of \$22 million from the 2004 bond issuance, will provide approximately 100,000 gross square feet to replace a current failing facility, as well as addressing College of Business Administration instructional and student recruitment/retention issues.

The 2005-2007 Capital Improvement Plan identifies an additional four projects for 2005, with three of the projects using projected research infrastructure funding. The projects include construction of a science facility located on the campus of Arizona Western College in Yuma. A Laboratory Facility will house new research and instructional laboratories, primarily in Biology and Chemistry. A project addressing increased infrastructure needs due to technology and research delivery requirements is the third project to use research funding. A fourth capital project planned for FY2005 includes NAU developing another private/public partnership venture to replace aging, on-campus residential facilities.

Northern Arizona University, like all other state agencies, has received no State Appropriated Building Renewal for the last three fiscal years (FY02, FY03, FY04). The combined request for these three years would require over \$21 million dollars. The fiscal year 05 request is \$7.7 million. Funding of the building renewal formula is especially important to NAU, because climatic conditions in Flagstaff create significant challenges to facilities maintenance. These include heavy snowfall, multiple freeze/thaw cycles and increased exposure to ultraviolet light.

Finally, Northern Arizona University's infrastructure also includes its information technology resources. Go-live implementation of the new integrated administrative system began in FY2003, but work to utilize fully this major systems upgrade will continue over the next several years. NAU will also transition the video delivery of courses and programs from Interactive Instructional Television (IITV) to video delivery via new digital technologies, and evaluate upgrades to the financial and accounting system (Advantage), to the e-learning software system (WebCT), and to telephone switches. Upgrades to these aspects of the campus technology infrastructure are essential to the continued operation of those systems as well as to meeting the expanding technological requirements of faculty, staff and students.

## Northern Arizona University Strategic Plan Goals

- Strengthen undergraduate education excellence in a residential learning community
- Increase and manage enrollment
- Strengthen graduate education, economic development and research
- Build on our national reputation for excellence in professional programs
- Provide leadership in the development, use, and assessment of technologies in educational programs
- Foster a culture of diversity
- Be the nation’s leading university serving Native Americans
- Ensure financial stability and growth

### Goals and Strategies<sup>4</sup>

<b>Goal</b>	<b>Strengthen undergraduate education excellence in a residential learning community</b>
Strategies	<ol style="list-style-type: none"> <li>1. Construct and renovate academic buildings and invest in infrastructure to support instruction and research</li> <li>2. Develop a multi-year compensation plan to achieve equity with peers in faculty and staff compensation</li> <li>3. Increase academic excellence in programs</li> <li>4. Enhance the quality of the residential living and learning environment</li> </ol>
<b>Goal</b>	<b>Increase and manage enrollment</b>
Strategies	<ol style="list-style-type: none"> <li>1. Create a distinctive Northern Arizona University identity</li> <li>2. Increase student enrollment</li> <li>3. Improve student retention</li> </ol>
<b>Goal</b>	<b>Strengthen graduate education, economic development and research</b>
Strategies	<ol style="list-style-type: none"> <li>1. Be a regional, state, and national center of excellence focused in areas such as forest health restoration, science, technology, and workforce development<sup>5</sup></li> <li>2. Increase the capability to support and conduct research, economic development, and faculty, staff, and student scholarship</li> <li>3. Attract and retain the highest quality graduate students</li> </ol>

<sup>4</sup> Northern Arizona University’s Strategic Plan identifies specific objectives for each strategy. See [http://www4.nau.edu/pair/UniversityPlanning/strategic\\_plans.htm](http://www4.nau.edu/pair/UniversityPlanning/strategic_plans.htm) for the complete Strategic Plan.

<sup>5</sup> Develop in concert with the recommendations of the Battelle Institute’s report, *Positioning Arizona’s Public Research Universities: Science and Technology Strengths for Arizona’s Future*.

<b>Goal</b>	<b>Build on our national reputation for excellence in professional programs</b>
Strategies	<ol style="list-style-type: none"> <li>1. Build on an existing strength by expanding access and reinforcing quality in teacher education programs</li> <li>2. Enhance access and quality in professional programs</li> </ol>
<b>Goal</b>	<b>Provide leadership in the development, use, and assessment of technologies in educational programs</b>
Strategies	<ol style="list-style-type: none"> <li>1. Deliver effective programs/courses using technology</li> <li>2. Build faculty expertise</li> <li>3. Build student technological expertise</li> </ol>
<b>Goal</b>	<b>Foster a culture of diversity</b>
Strategies	<ol style="list-style-type: none"> <li>1. Increase diversity among faculty, staff and students</li> <li>2. Encourage the infusion of diversity in curriculum development, research efforts and campus culture</li> </ol>
<b>Goal</b>	<b>Be the nation's leading university serving Native Americans</b>
Strategies	Expand and develop educational opportunities for Native Americans
<b>Goal</b>	<b>Ensure financial stability and growth</b>
Strategies	<ol style="list-style-type: none"> <li>1. Engage in activities and programs leading to stability and growth</li> <li>2. Increase and diversify revenue streams</li> <li>3. Develop processes that routinely link strategic planning and budgeting</li> <li>4. Identify priorities to guide resource allocation</li> </ol>

Resource Assumptions: FY2004 Agency Funding Level for All Funds

<b>Description</b>	<b>(thousands) FY 2004</b>
General Funds	110,980
Other Appropriated Funds	34,145
Other Non Appropriated Funds	115,960
Federal Funds	43,713
Budget Unit Total	304,798
FTE Positions	3390.4

## Strategic Issues and Resource Assumptions

### Issue 1: Maintain and enhance undergraduate educational excellence in a residential learning community

Goal	Strengthen undergraduate education excellence in a residential learning community		
Example <sup>6</sup> Strategies	Pros	Cons	Resource Assumptions
Increase academic excellence in programs  <i>Use student learning outcomes in all programs to assess program effectiveness</i>	Student learning outcomes help departments develop a common language that students, faculty, and staff share. Use and assessment of student learning outcomes help faculty evaluate and improve their own teaching. Student learning outcomes give students a way to think and talk about what they have learned.	Requires faculty buy-in, use, and evaluation  Requires consistent oversight and documentation by an Office of Academic Assessment which is staff labor-intensive	Ranked faculty expertise  Administrative expertise and support  Data collection, analysis, information technology infrastructure, communication

### Examples of Performance Measures:

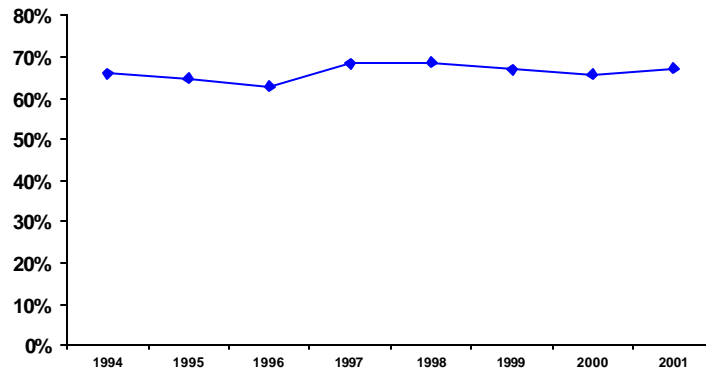
2003 Northern Arizona University Undergraduate Consolidated Accountability (UCAR) Report							
Measure	Baseline Year	Baseline Measure	2000 Data	2001 Data	2002 Data	Goal	Goal Year
Percentage of undergraduate degree programs with learning outcomes and assessment plans.	2001	91%	91%	91%	96%	100%	2007
Measure	Baseline Year	Baseline Measure	2000 Data	2001 Data	2002 Data	Goal	Goal Year
Percentage of undergraduate degree programs for which the assessment of learning outcomes has been reviewed in the Academic Review Process	2001	7%		7%	13%	95%	2010

<sup>6</sup> Northern Arizona University's Strategic Plan identifies specific objectives for each strategy. See [http://www4.nau.edu/pair/UniversityPlanning/strategic\\_plans.htm](http://www4.nau.edu/pair/UniversityPlanning/strategic_plans.htm) for the complete Strategic Plan.

Goal	Strengthen undergraduate education excellence in a residential learning community		
Example <sup>6</sup> Strategies	Pros	Cons	Resource Assumptions
<p>Enhance the quality of the residential living and learning environment</p> <p><i>To review, assess and recommend changes to the academic and support services provided to first-year freshmen with the intent to improve retention rates of first-time, full-time freshmen on the Mountain Campus</i></p>	<p>Improved student outcomes and an improved, informed understanding of the environment and interactions which help retain first-year freshmen</p>	<p>Requires substantial time investment by faculty and staff.</p>	<p>Ranked faculty and staff expertise</p> <p>Administrative expertise and support</p> <p>Data collection, analysis, information technology infrastructure, communication</p>

**Examples of Performance Measures:**

Full-Time, First-Year Retention Rates



Source: Northern Arizona University, Planning and Institutional Research, 9/2003

**Resource Assumptions:**

- Continued marginal increases in tuition for FY 05, 06, 07, 08, 09
- Four year plan to restore salary competitiveness to 50<sup>th</sup> percentile by FY 2009
- Full funding of Building Renewal calculation beginning in FY06
- Annual general fund appropriations for various program enhancements

- Continued strong growth in federal granting agency funding support averaging about 3%, but with state funded salaries moving toward market growth will actually be more in the range of 4%
- Other non-appropriated funds are projected to increase at a rate of approximately 3% (when excluding the facility needs associated with full funding of State Building Renewal and progress towards market salaries)
- Assuming state salary and Building Renewal support is forthcoming, other non-appropriated funds will need to be increased significantly (more in the range of 7.6%) to support the additional expenditures that would be required of local accounts like Residence Life which have large locally supported payrolls and facilities not covered by BR

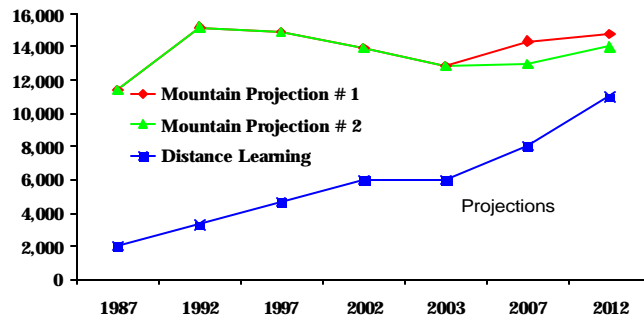
Description	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
General Funds	1,797,000	1,500,000	1,500,000	2,000,000	2,250,000
Other Appropriated Funds	-1,797,000	853,600	896,300	941,100	988,200
Other Non Appropriated Funds	237,400	688,600	617,900	684,300	692,400
Federal Funds	70,000	203,000	182,100	201,700	204,100
Budget Unit Total	307,400	3,245,200	3,196,300	3,827,100	4,134,700
FTE Positions	0	48.63	46.49	57.78	62.66

**Issue 2: Increase and manage enrollment to improve the diversity, quality and quantity of students, and expand access to programs that are in high demand by both students and by the State of Arizona**

Goal	Increase and manage enrollment		
Example <sup>6</sup> Strategies	Pros	Cons	Resource Assumptions
Create a distinctive Northern Arizona University identity	Essential for recruitment of students and faculty, internal morale, and external support	Lack of understanding of importance by internal and external audiences	Identified as University Priority with funding for initial RFP Ongoing marketing funds must be allocated
Increase student enrollment and retention	Stabilize enrollment on the Mountain campus Provide access to “place bound” students throughout the State		Identified as University Priority requiring people, information technology, process and funding changes

**Example of Performance Measures:**

Northern Arizona University Enrollment History & Projections, 1987-2017



Source: Northern Arizona University, Planning and Institutional Research, 9/2003

**Resource Assumptions:**

- Continued marginal increases in tuition for FY 05, 06, 07, 08, 09
- Four year plan to restore salary competitiveness to 50<sup>th</sup> percentile by FY 2009
- Full funding of Building Renewal calculation beginning in FY06
- Annual general fund appropriations for various program enhancements
- Continued strong growth in federal granting agency funding support averaging about 3%, but with state funded salaries moving toward market growth will actually be more in the range of 4%
- Other non-appropriated funds are projected to increase at a rate of approximately 3% (when excluding the facility needs associated with full funding of State Building Renewal and progress towards market salaries)
- Assuming state salary and Building Renewal support is forthcoming, other non-appropriated funds will need to be increased significantly (more in the range of 7.6%) to support the additional expenditures that would be required of local accounts like Residence Life which have large locally supported payrolls and facilities not covered by BR

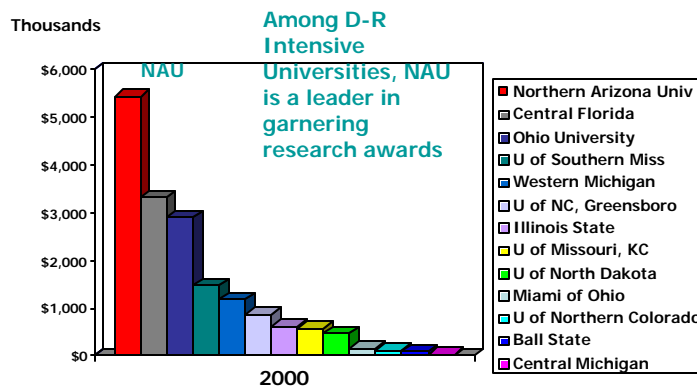
Description	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
General Funds	1,797,100	1,250,000	1,500,000	1,750,000	2,000,000
Other Appropriated Funds	-1,797,100	853,600	896,300	941,100	988,200
Other Non Appropriated Funds	237,400	573,900	617,900	598,800	615,500
Federal Funds	70,000	169,200	182,100	176,500	181,400
Budget Unit Total	307,400	2,846,700	3,196,300	3,466,400	3,785,100
FTE Positions	0.00	40.53	46.49	50.56	55.70

**Issue 3: Increase research, graduate education, and economic development**

Goal	Strengthen graduate education, economic development and research		
Example Strategies <sup>6</sup>	Pros	Cons	Resource Assumptions
Be a regional, state, and national center of excellence focused in areas such as forest health restoration, science, technology, and workforce development	Undergraduate and graduate students receive hands-on opportunities to participate in the advancement of cutting-edge knowledge. Advance knowledge and applied problem solving in critical areas of expertise	Research emphasis at times competes with teaching for resources.  Lack of understanding of economic development's importance to University.	Requires leading-edge facilities and equipment.  Must be able to retain most productive research faculty.

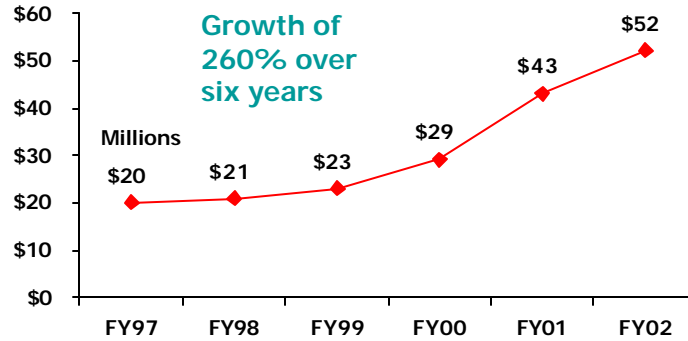
**Example of Performance Measures:**

**NSF Federal Obligations for Science and Engineering R & D, FY 2000**



Source: NSF.Gov; Northern Arizona University, Planning and Institutional Research, 9/2003

## Annual Award Dollars



Source: Vice Provost for Research and Graduate Studies

### Resource Assumptions:

- Continued marginal increases in tuition for FY 05, 06, 07, 08, 09
- Four year plan to restore salary competitiveness to 50<sup>th</sup> percentile by FY 2009
- Full funding of Building Renewal calculation beginning in FY06
- Annual general fund appropriations for various program enhancements
- Continued strong growth in federal granting agency funding support averaging about 3%, but with state funded salaries moving toward market growth will actually be more in the range of 4%
- Other non-appropriated funds are projected to increase at a rate of approximately 3% (when excluding the facility needs associated with full funding of State Building Renewal and progress towards market salaries)
- Assuming state salary and Building Renewal support is forthcoming, other non-appropriated funds will need to be increased significantly (more in the range of 7.6%) to support the additional expenditures that would be required of local accounts like Residence Life which have large locally supported payrolls and facilities not covered by BR

Description	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
General Funds	920,300	750,000	1,000,000	1,250,000	1,500,000
Other Appropriated Funds	0	0	0	0	0
Other Non Appropriated Funds	121,600	344,300	411,900	427,700	461,600
Federal Funds	35,800	101,500	121,400	126,100	136,100
Budget Unit Total	1,077,700	1,195,800	1,533,300	1,803,800	2,097,700
FTE Positions	21.95	24.32	31.00	36.11	41.77

**Issue 4: Invest in the teacher preparation and health profession pipeline; expand the supply of professionals in high demand markets**

Goal	<b>Invest in the teacher preparation and health profession pipeline; expand the supply of Arizona professionals in high demand markets</b>		
Example Strategies <sup>6</sup>	Pros	Cons	Resource Assumptions
Enhance access and quality in professional programs  <i>Offer increased access to critically needed professional programs, such as health care, business, engineering, communications, hotel, restaurant management, and education technology</i>	Help meet the need for trained professionals in Arizona	All these programs require additional resources to offer. Many programs, especially in health care, are expensive and difficult to expand without major infusion of new funds and facilities	Facilities, equipment, salary enhancements and new faculty

**Example of Performance Measures:**

**NAU Nursing Undergraduate Programs**

OFFER

- Traditional BSN
- Accelerated program for those with a bachelor's degree
- On-site program in Ganado
- RN-to-BSN (web-based)

OUTCOME

Have increased students accepted by 40% (from 50 to 70) since 2002.

Source: Appleby; Biomedicine at Northern Arizona University ppt., 9/2003

**Resource Assumptions:**

- Continued marginal increases in tuition for FY 05, 06, 07, 08, 09
- Four year plan to restore salary competitiveness to 50<sup>th</sup> percentile by FY 2009
- Full funding of Building Renewal calculation beginning in FY06
- Annual general fund appropriations for various program enhancements

- Continued strong growth in federal granting agency funding support averaging about 3%, but with state funded salaries moving toward market growth will actually be more in the range of 4%
- Other non-appropriated funds are projected to increase at a rate of approximately 3% (when excluding the facility needs associated with full funding of State Building Renewal and progress towards market salaries)
- Assuming state salary and Building Renewal support is forthcoming, other non-appropriated funds will need to be increased significantly (more in the range of 7.6%) to support the additional expenditures that would be required of local accounts like Residence Life which have large locally supported payrolls and facilities not covered by BR

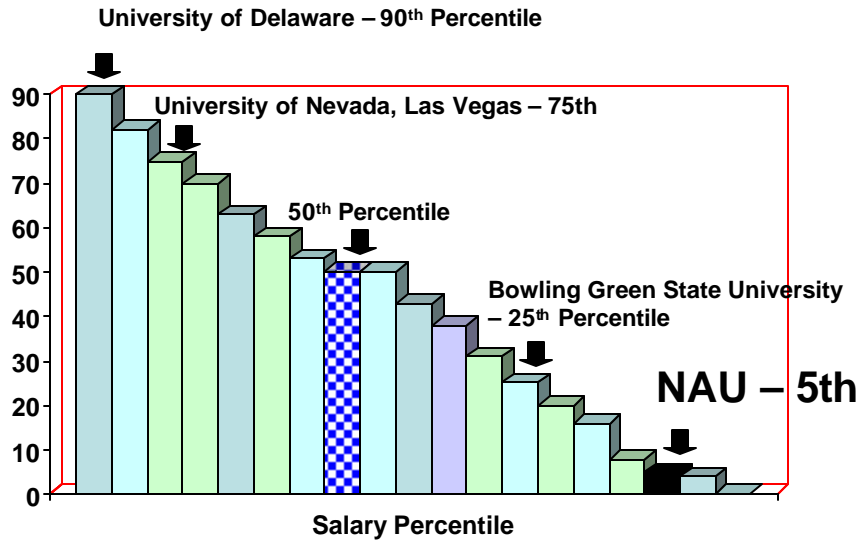
Description	FY	FY	FY 2007	FY	FY 2009
	2005	2006		2008	
General Funds	759,800	855,600	1,000,000	1,200,000	1,350,000
Other Appropriated Funds	0	0	0	0	0
Other Non Appropriated Funds	100,400	392,800	411,900	410,600	415,500
Federal Funds	29,600	115,800	121,400	121,000	122,500
Budget Unit Total	889,800	1,364,200	1,533,300	1,731,600	1,888,000
FTE Positions	7.03	18.86	21.44	24.40	25.55

**Issue 5: Improve compensation in order to attract and retain productive faculty and staff**

Goal	Strengthen undergraduate education excellence in a residential learning community		
Example Strategies <sup>6</sup>	Pros	Cons	Resource Assumptions
Develop a multi-year compensation plan to achieve equity with peers in faculty and staff compensation	Retain productive faculty and staff Recruit talented workforce Improve employee morale	Extremely difficult in the current fiscal environment Institution has few financial resources to commit to this strategy	Increase in marginal or new revenue

**Example of Performance Measures:**

**Faculty Salaries Fall to 5<sup>th</sup> Percentile of Peers**



Source: Academe – Bulletin of the American Association of University Professor, Volume 89, Number 2, March-April 2003

**Resource Assumptions:**

- Continued marginal increases in tuition for FY 05, 06, 07, 08, 09
- Four year plan to restore salary competitiveness to 50<sup>th</sup> percentile by FY 2009
- Full funding of Building Renewal calculation beginning in FY06
- Annual general fund appropriations for various program enhancements
- Continued strong growth in federal granting agency funding support averaging about 3%, but with state funded salaries moving toward market growth will actually be more in the range of 4%
- Other non-appropriated funds are projected to increase at a rate of approximately 3% (when excluding the facility needs associated with full funding of State Building Renewal and progress towards market salaries)
- Assuming state salary and Building Renewal support is forthcoming, other non-appropriated funds will need to be increased significantly (more in the range of 7.6%) to support the additional expenditures that would be required of local accounts like Residence Life which have large locally supported payrolls and facilities not covered by BR

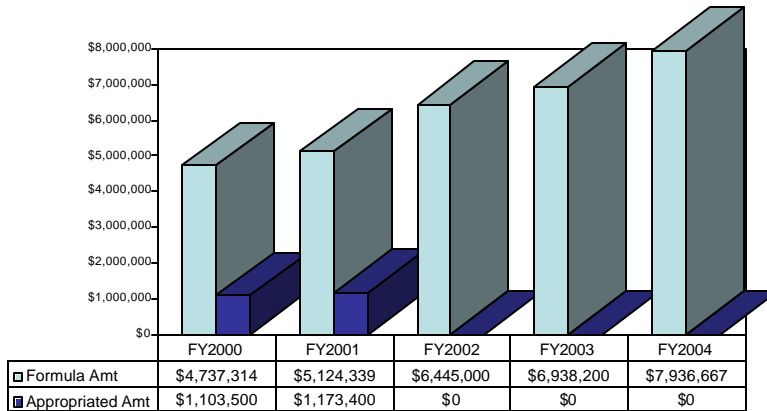
Description	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
General Funds	9,424,000	13,671,600	7,371,400	7,753,200	8,154,800
Other Appropriated Funds	0	0	0	0	0
Other Non Appropriated Funds	2,748,700	3,987,600	2,150,000	2,261,400	2,378,500
Federal Funds	916,200	1,329,200	716,700	753,800	792,800
Budget Unit Total	13,088,900	18,988,400	10,283,100	10,768,400	11,326,100
FTE Positions	0	0	0	0	0

**Issue 6: Revitalizing Northern Arizona University's buildings and infrastructure will provide a foundation for future university growth and excellence**

Goal	Strengthen undergraduate education excellence in a residential learning community		
Example Strategies <sup>6</sup>	Pros	Cons	Resource Assumptions
<p>Construct and renovate academic buildings and invest in infrastructure to support instruction and research</p> <p><i>Improve access to instructional technology and plan for learner-centered education in mountain campus building renovations</i></p>	<p>The adequacy of facilities and equipment directly impacts the educational environment for teaching and learning.</p>	<p>Building renewal when not funded through the state formula competes with instruction for scarce resources</p>	<p>Funding of the Building Renewal formula after a lapse of three years would allow NAU to address a small portion of the currently estimated infrastructure deferred maintenance backlog of approximately \$330 million dollars</p>

**Example of Performance Measures:**

**Building Renewal Formula and Amount Appropriated, FY 2000-FY2004**



Source: FY2005-2007 Capital Improvement Plan, Northern Arizona University

**Resource Assumptions:**

- Continued marginal increases in tuition for FY 05, 06, 07, 08, 09
- Four year plan to restore salary competitiveness to 50<sup>th</sup> percentile by FY 2009
- Full funding of Building Renewal calculation beginning in FY06
- Annual general fund appropriations for various program enhancements
- Continued strong growth in federal granting agency funding support averaging about 3%, but with state funded salaries moving toward market growth will actually be more in the range of 4%
- Other non-appropriated funds are projected to increase at a rate of approximately 3% (when excluding the facility needs associated with full funding of State Building Renewal and progress towards market salaries)
- Assuming state salary and Building Renewal support is forthcoming, other non-appropriated funds will need to be increased significantly (more in the range of 7.6%) to support the additional expenditures that would be required of local accounts like Residence Life which have large locally supported payrolls and facilities not covered by BR

<b>Description</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Funds	0	8,288,600	8,910,200	9,578,500	10,296,900
Other Appropriated Funds	100,000	400,000	400,000	400,000	400,000
Other Non Appropriated Funds	0	4,144,300	4,455,100	4,789,300	5,148,500
Federal Funds	0	165,800	178,200	191,600	205,900
Budget Unit Total	100,000	12,998,700	13,943,500	14,959,400	16,051,300
FTE Positions	0	0	0	0	0

**3. Sum of Incremental Costs to Support the Five-year Strategic Plan**

<b>Description</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Fund	14,698,200	26,315,800	21,281,600	23,531,700	25,551,700
Other Appropriated Funds	-3,494,100	2,107,200	2,192,600	2,282,200	2,376,400
Other Non Appropriated Funds	3,445,500	10,131,500	8,664,700	9,172,100	9,712,000
Federal Funds	1,121,600	2,084,500	1,501,900	1,570,700	1,642,800
Budget Unit Total	15,771,200	40,639,000	33,640,800	36,556,700	39,282,900
FTE Positions	28.98	132.34	145.42	168.85	185.68