CALL TO ORDER

Presiding Officer of the Faculty Senate, Melanie Hingle, called the Faculty Senate meeting to order at 4:00 p.m. via Zoom. Hingle announced that the Special Session Senate meeting will be a presentation by the Global Campus Senate Advisory Committee members.


Absent: Senators Castro, Dong, Gordon, Goyal, Hiller, Min Simpkins, Reimann, Singleton, Sleipan, and Valerdi.

GLOBAL CAMPUS SENATE ADVISORY COMMITTEE (GCSAC) REPORT AND PRESENTATION ON THE ACQUISITION OF ASHFORD UNIVERSITY – CO-CHAIRS GARY RHOADES AND LEILA HUDSON

Hudson opened by referencing the earlier meeting held by President Robbins regarding the Ashford acquisition. Rhoades stated that the ad hoc committee was created pursuant to a motion voted on at the August 17, 2020 Faculty Senate meeting, and the committee convened on September 20, 2020 by the Chair and Vice Chair of the Faculty. The charge of the committee is to understand all aspects of the acquisition and educate the Faculty Senate on its findings, and to advise senior leadership on behalf of the Faculty Senate and faculty stakeholders across campus. Surveys circulated to campus constituencies showed that 80% of the 1,074 participants did not endorse the acquisition, citing that communication concerning the acquisition was not satisfactory. The committee enforces the value of shared governance and its relevance to the acquisition, with the acquisition as a partnership with a separate entity using the University of Arizona name, values, and mission. The acquisition impacts some academic programs across the University as President Robbins indicated earlier today. The partnership will benefit from collaborative engagement of shared governance entities, Deans, Department Heads, and programs. Committee activities included meeting with Provost Folks, Vice Provost for Online and Distance Education, Craig Wilson, and Department Head of Education Policy Studies and Practice, Regina Dell-Amen. The committee had to independently draw documents, because none of the thirty documents requested from senior leadership were provided to the committee. Rhoades calls special attention to the Notices of Concern for Ashford issued July 12, 2019 and most recently, November 11, 2020. The WASC memo agreed to the new legal structure, but made quite clear there was an ongoing Notice of Concern indicating the institution is in danger of being out of compliance with one or more standards if current trends continue. This Notice, along with other information the committee gathered, is an indication of the amount of effort it will take for UArizona Global Campus to rectify its substandard student outcomes in terms of graduation, debt, debt default, and other issues. Hudson spoke to the four superordinate principles the committee agreed upon: 1) No program of UArizona, including UArizona Online, UArizona Global, or distance campuses should be adversely affected by UArizona Global Campus (UAGC), 2) Responsible, ethical recruitment and financial practices toward UAGC students should be ensured, as well as quality education that provides value in outcomes, degree completion, and career placements, 3) Specific mechanisms of intersection between UAGC and UArizona, and of oversight by UArizona should be established beyond a UAGC Board of Directors that has minority representation from UArizona appointees, and 4) Because of the UArizona brand, the development of UAGC should be consistent with UArizona’s core values and mission as a flagship public land-grant Hispanic Serving Institution. Further principles and recommendations center around three areas of governance, academic program quality and student outcomes, and finances and financial strategy. All of the aforementioned principles will require shared governance oversight. The Board structure as it is, is not sufficient, and additional resources will be required. 1) The UArizona employees appointed to the Board of Directors for UAGC should be independent, and, to that end, be given guidance so that they can better navigate potential conflicts of interest and commitment that could arise between their fiduciary responsibilities as members of the UAGC Board and their duties as employees of UArizona. 2) Given Zovio’s prior history, that its work will affect the overall success of UAGC, and that Zovio’s practices will have implications for the UArizona’s academic and public missions, there should be a formal body responsible for monitoring and auditing the marketing, recruitment, and financial aid practices of Zovio, beyond the UAGC Board of Directors’ ad hoc oversight. Boards of Directors are not typically involved in such detailed matters,
such oversight might involve creating a separate committee or working group. 3) Given UAGC Board of Directors’ responsibilities for enhancing the new institution, UArizona appointed members of the UAGC Board should propose adopting an advisory committee structure that draws members from UAGC and UArizona.

Second broad areas of interest are quality and outcomes principles. Given longstanding challenges in enrollments, graduation rates, high loan default rates, and given WASC’s ongoing specified concerns, and given student demographics of UAGC, special attention and resources are required to address quality of instruction and student outcomes. 1) In order to study overlap and reduce competition, as well as to address complementarity and program development in the entities, a University-wide oversight of UAGC in relation to UArizona Online’s academic programs. GCSAC recommends that there be a University-wide committee chaired by the Vice Provost for UArizona Online, with Deans and elected faculty representatives from programs and colleges in which there is overlap between UAGC and UArizona Online. 2) UAGC should move towards meeting an industry-standard level of investment in instruction. At present, Ashford spends 19.1% on instructional expenditures, whereas the for-profit higher education industry standard is 29%. 3) Given UArizona’s core academic missions and the history of Ashford, there is concern that UAGC’s quality will affect the overall success of the enterprise. Mechanisms for overseeing academic programs and assuring quality should be provided by UArizona at the programmatic level, beyond the Board of Directors and outside accrediting agencies, with clear consequences for failing to meet quality standards. GCSAC recommends rolling academic program reviews at UAGC, with special focus on student outcomes. 4) With regard to distinguishing the separate entities, websites for UAGC and UArizona Online should be distinctly different to target distinct populations. UArizona colleges with overlapping programs should be centrally involved in developing the websites and messaging, as well as establishing “an independent monitoring and marketing audit plan with results periodically reported to WASC.” To eliminate the confusion that is created by having two entities with overlapping names, GCSAC recommends the renaming of UAGC, as noted in the November 11, 2020 WASC memorandum. 5) Any deliberations and decisions about creating “pipelines” between UAGC and UArizona should involve consultation with faculty and shared governance bodies, as well as invested academic colleges, departments, and programs. Based on concerns and assessments of relative program quality by faculty and Deans in two of the largest academic colleges at UArizona where there are overlapping graduate programs (Business and Education), GCSAC does not recommend promoting a “pipeline” strategy between graduate programs.

The third area GCSAC looked into were finances and how the money will flow from UAGC. The educational integrity and quality outcomes of students should be primary in determining the yearly financial allocation between UAGC and UArizona. UArizona, in keeping with its public mission should ensure that monies are not drawn away from UAGC students’ educational outcomes, and that UAGC has the resources needed to properly serve its students and meet key student outcome metrics. One question the committee had was answered this morning at President Robbins’ announcement that UArizona is not guaranteed any monies beyond the first $20M that are conditional for enrollments and tuition revenues that UAGC increases from the time of acquisition. For UArizona programs and colleges in which there is overlap with UAGC offerings, the size of Zovio’s marketing budget creates a challenge. A mechanism to enhance financial support for UArizona colleges’ marketing of their UArizona Online programs is important to reach distinct student market segments. GCSAC is concerned about confusing advertising and student expectations, but is wary of a possible “marketing arms race” with UAGC. Having worked through the initial logistics of ensuring the acquisition agreement, the senior leadership team should work collaboratively in shared governance with elected faculty entities and academic college deans to develop a financial strategy action plan for UArizona’s UArizona Online, UArizona Global, and distance campuses in relation to UAGC consistent with our core academic mission, values, and Strategic Plan. GCSAC does not feel threatened or resistant to increased education activity online, but would like a meaningful and thoughtful strategy how UArizona will position itself with not only UArizona Online and UAGC, but with Arizona State University, Southern New Hampshire University, and Grand Canyon University. GCSAC’s committee members share multiple perspectives, but all are in favor of advancing our collective, public purpose. Co-Chairs Hudson and Rhoades thanked committee members Carine Bourget, Kyle Diroberto, Paul Michas, John Milbauer, Lynn Nadel, Billy Sjostrom, Michael Staten, and Rob Stephan.

Hurh asked if it takes an investment of resources to accomplish what the committee has outlined in its presentation, and if UArizona is not adversely affected by UAGC, where will the resources emanate from? What amount of money is UAGC going to transfer to the UArizona for the use of its name? Hudson replied that an initial payment of $20M will be made to UArizona, second year no payment, and thereafter a 50/50 split of the residual amount which will go to UAGC after Zovio’s and UAGC’s instructional costs are met. All are contingent upon tuition revenues, so there is no guarantee. Rhoades stated that the Interim President of UAGC was quite explicit earlier in the day that the allocation in subsequent years was contingent upon growth in enrollment and a net tuition revenue, and if, after seven years enrollments declined with UAGC, UArizona could pull out of the deal. Robbins confirmed, and stated that the initial $37M was money that Zovio will transfer to UArizona upon closing the deal to ensure there is enough working capital. There is a guarantee of $225M from Zovio to UAGC over fifteen years, with a prepayment of $37.5M plus $16M for residual working capital. The actual amount UAGC will start with is $54M, with $20M transferred to UArizona within the first year. Net tuition revenue will determine if UAGC will have enough residual working capital to be able to provide all of the services they
need to serve their students and meet payroll. After those costs are satisfied, there will be a 50/50 split between UArizona and UAGC. Nadel asked for clarification on the relationship between Zovio’s portion of the net tuition revenue receipts and UAGC revenue. To his understanding, Zovio receives 19%, and at what point in the transfer of monies does Zovio receive its portion. Robbins responded that the 19.5% is at-risk money, that if tuition revenues fall below a certain rate, then that 19.5% allotted to Zovio would be forfeited and Zovio would have to provide its support to UAGC and UArizona. A Services Agreement between UAGC and Zovio and an Academic Affiliation Agreement between UAGC and UArizona will be made publicly available. McDonald mentioned the lack of engagement mentioned in the presentation on the part of senior leadership, which doesn’t allude to moving forward. Hudson responded that meetings with key individuals GCSAC wanted to talk to were difficult to obtain, and any documents the committee requested were not provided. Hudson thinks as things progress and move forward, senior leadership will see a benefit from more active participation. UArizona Online has been the site of entrepreneurial work by a variety of different programs across the University and poor morale comes from feeling shut out of those programs. Potential can be unleashed by consultation not only by simply appointees, but by elected shared governance representation, along with Deans who know the mechanics of any particular college or program. Rhoades said that looking forward, it’s important to engage with one another. The faculty has tremendous expertise. Robbins agreed.

19.5% at-risk money

The differentiation between UArizona Online and UAGC is that one offers a traditional semester option, and stated that the entire Ashford deal is a terrible idea, and will have catastrophic consequences for the University at large. Acosta said that Ashford was to remain a separate entity, but hears Robbins flirt with the idea that conglomerating both entities might be possible in the future. Ashford is going to disenfranchise UArizona Online, which was the main concern at the onset of the deal. Robbins responded that Ashford is an outside entity and will remain that way. Ashford is a separate accredited University with an academic affiliation to UArizona. Rhoades said that from the time the acquisition was decided upon until now, there has been an inherent lack of a communication and profound negligence by leadership to work together so that the campus could better understand the business aspects of the acquisition. The issues are important to everyone on campus, and it’s not a high bar to include the interested parties. Robbins agreed, and stated that the differentiation between UArizona Online and UAGC is that one offers a traditional semester option, whereas the other offers five-week course increments and fifty starts per year to better serve another population of students. Rhoades reiterated that Deans up to this point have been left in the dark, and is hopeful that Robbins stands by his claims of inclusivity. A Senator asked about conflict of commitment (COC), and employment with post-secondary institutions covering individuals full-time, half-time, or appointed, may not be employed as faculty members, professional staff, or administrators at any other post-secondary educational institution while they are full-time University employees unless approved under the COC policy. However, consulting and collaborative research relationships with other post-secondary institutions may be permitted subject to the review and approval process set forth in paragraph A (1) under compliance and responsibilities. In light of the aforementioned, why are there University officers on the newly formed Board at Ashford. Does this not constitute a potential conflict of interest. Hudson said that in on these issues and other governance matters. Importance must be placed on not putting individuals or either institution at risk by inferior legal work. Hudson stressed assurance that the Board structure is robust and free from all charges of conflict of interest and would like to work with senior leadership to mitigate the charges as soon as possible. Robbins agreed.

3. **ADJOURNMENT**

With no further business, the meeting was adjourned at 5:01 p.m.
Appendix*

*Copies of material listed in the Appendix are attached to the original minutes and are on file in the Faculty Center.

1. GCSAC Committee Report

Motions of the November 30, 2020 Faculty Senate Meeting

There were no motions.

FACULTY CENTER
1216 E. Mabel
PO Box 210456