

**INVESTMENT IN ENROLLMENT GROWTH INFRASTRUCTURE – PHASE I
TOTAL REQUEST -- \$6,000,000**

DESCRIPTION OF REQUEST

ASU requests an annual \$6 million state appropriation to fund the annual debt service payment on a \$75-\$80 million financing that will construct new facilities and upgrade campus infrastructure. New facilities are needed to support new enrollment and faculty recruited to support the continuing student growth across the campuses, and the current enrollment growth funding formula does not include any factors to cover the costs of these facilities.

New facilities will provide space for incoming faculty, with the goal of improving student-to-teacher ratios are an important component of this request. Projects envisioned include academic renovations to multiple buildings and spaces, including building upgrades, building demolition, mall renovations, building infrastructure, and construction of new facilities.

The estimated cost of construction, including both renovation and new construction, is approximately \$219 million to bring current classroom, class laboratory, and library space to levels required to support FY07 enrollment. By FY20, without further investment in academic infrastructure, ASU estimates a deficit of nearly 2 million gsf, at a current cost of \$713 million.

**ENROLLMENT GROWTH FUNDING
TOTAL REQUEST -- \$13,100,000**

DESCRIPTION OF REQUEST

ASU's freshman class for the fall 2007 semester contains 9,274 students; a 2.5% increase from fall 2006 class, a 36% increase since 2002 and a 76% increase since 1997. ASU is seeking an increased investment of \$13.1 million in enrollment growth from the legislature for additional faculty and staff positions in order to meet the demands resulting from student enrollment increases and maintain academic quality.

WHAT IS THE "ENROLLMENT GROWTH" FORMULA?

The ASU, NAU, and UA annual legislative budget requests include an enrollment based funding request known as the "Enrollment Growth" request. An enrollment funding formula has been in use by Arizona's universities since 1958 (modified over time), and establishes the basis of a funding request intended to provide incremental funding for changes in university student enrollments. Specifically, the formula calculates the additional faculty and staff positions, and related salaries, benefits and operating expenses (based on ABOR costs factors), needed to offset the costs of changing enrollments.

The formula provides one more (or fewer) full time equivalent (FTE) faculty position and .75 FTE more (or fewer) support staff positions for every increase (or decrease) of 22 FTE students.

HOW DOES THE "22:1" FORMULA WORK?

The 22:1 funding mechanism relies on a series of calculations to determine the following:

- (1) The FTE student calculation (codified in ARS 15-1661) derives student enrollments by weighing total earned credit hours according to three different academic levels. These weights are summarized below:

<u>Academic Level</u>	<u>Credit Hours/FTE</u>
Lower-Division Undergraduate	15
Upper-Division Undergraduate	12
Graduate and Professional	10

This weighting is intended to recognize the smaller class sizes and higher costs of upper division and graduate classes.

- (2) The three year Weighted Rolling Average is derived by using 25 percent of the past year's actual fall FTE enrollment, 50 percent of the present year's fall FTE enrollment, and 25 percent of the projected next fall FTE enrollment;

HOW DOES THE "22:1" FORMULA WORK? (Continued)

- (3) The FTE Student Increase/(Decrease) is derived by subtracting the present year's "funded enrollment" as determined by Joint Legislative Budget Committee (JLBC) staff from the three year weighted rolling average enrollment; and
- (4) The Enrollment Growth Faculty Entitlement is derived by dividing the result of (3) by 22 to determine the requested addition (or subtraction) of faculty and support staff positions and related salaries, benefits and operating expenses.

WHY INVESTING IN ENROLLMENT GROWTH IS CRUCIAL?

ASU has been very entrepreneurial in its efforts to develop other revenue sources. However, as a public institution, ASU still requires one of its major investors, the State of Arizona, to fund its core operating expenses. It is critical as the state's population continues to grow, and more and more students seek an undergraduate education at ASU, that the university continues to provide a quality education to all qualified state students. Thus, ASU is requesting the \$13.1 million enrollment growth investment. The state's investment in enrollment growth allows ASU to meet the demands resulting from student enrollment increases while maintaining academic quality. Funding of the enrollment growth formula improves academic quality by:

- Increasing the average faculty salary which results in the universities hiring senior faculty, thereby enhancing the quality of the classroom experience, and reducing the reliance on the use of graduate assistants and part-time faculty to teach classes.
- Improving the student-to-faculty ratio which reduces class sizes.
- Improving the faculty advisors-to-student ratios.

HIGHLIGHTS OF CAMPAIGN 2009

Investment in Enrollment Growth

ASU's freshman class for the fall 2007 semester contains 9,274 students; a 2.5% increase from fall 2006 class, a 36% increase since 2002 and a 76% increase since 1997. ASU is seeking an increased investment of \$13.1 million in enrollment growth from the legislature for additional faculty and staff positions in order to meet the demands resulting from student enrollment increases and maintain academic quality.

Investment in Enrollment Growth Infrastructure

ASU requests an annual \$6 million state appropriation to fund the annual debt service payment on \$75-\$80 million financing that will construct new facilities and upgrade campus infrastructure. New facilities are needed to support new enrollment and faculty recruited to support the continuing student growth across the campuses. The current enrollment growth funding formula does not include any factors to cover the costs of these facilities.

Investment in Student Success

ASU requests a \$15 million state appropriation for investment in student success. Funds would enable continued qualitative improvement in undergraduate learning to produce the highly educated workforce needed to fuel a high tech economy. The request supports increasing freshman retention, enhancing curricular quality, promoting a learner centered agenda and improving graduation rates. Funding would: 1) improve availability and quality of freshman courses in all critical areas, 2) enhance advising, 3) expand and improve major course offerings, 4) improve the quality and number of technology delivered courses and programs, 5) make graduate teaching assistant/associate stipends in selected disciplines more competitive with peer institutions.

Mathematics & Science Teacher Initiative (STEM)

ASU requests a \$2 million base appropriation to support the Mathematics and Science Teacher Initiative known as STEM. The STEM (Science, Technology, Engineering, and Math) Education Initiative will recruit, teach and retain teachers in STEM content areas, with a special focus on middle and secondary schools.

**MATHEMATICS AND SCIENCE TEACHER INITIATIVE - STEM
TOTAL REQUEST -- \$2,000,000**

DESCRIPTION OF REQUEST

ASU requests a \$2 million base appropriation to support the Mathematics and Science Teacher Initiative known as STEM. The STEM (Science, Technology, Engineering, and Math) Education Initiative will recruit, teach and retain teachers in STEM content areas, with a special focus on middle and secondary schools.

In order to increase the number of students/teachers graduating with expertise in science, technology, engineering, and mathematics education across all campuses, to improve the level of instruction for undergraduate education in the STEM disciplines, and to fully service teachers PreK-20, we propose this initiative to lead efforts for all campuses in STEM-related content areas. The initiative will be housed in the Provost's office at the Tempe Campus.

According to national statistics compiled in the report, "Rising above the Gathering Storm", mathematics and science teachers in the nation's middle schools and high schools are more likely to be teaching outside their own major fields of college study than are social science or English teachers.

**INVESTMENT IN STUDENT SUCCESS
TOTAL REQUEST -- \$15,000,000****DESCRIPTION OF REQUEST**

Funds would enable continued qualitative improvement in undergraduate learning to produce the highly educated workforce needed to fuel a high tech economy. The request supports increasing freshman retention, enhancing curricular quality, promoting a learner centered agenda and improving graduation rates. Funding would: 1) improve availability and quality of freshman courses in all critical areas, 2) enhance advising, 3) expand and improve major course offerings, 4) improve the quality and number of technology delivered courses and programs, 5) make graduate teaching assistant/associate stipends in selected disciplines more competitive with peer institutions.

As part of its strategic initiatives and in its commitments to the Arizona Board of Regents, ASU has adopted a set of undergraduate goals and directed significant effort toward achieving these goals. ASU has made progress toward its goals of improving freshman retention and involving more regular faculty in lower division instruction. The goals for graduation rates require significant efforts. Furthermore, as freshman retention improves, and assuming that the number of upper division transfer students remains at current levels, it becomes more critical to support sophomores, juniors, and seniors. Some progress has been made towards improving both retention and graduation rates, but there is still much room for improvement. It is critical to support the following initiatives in order to improve graduation rates and continue to raise the quality of undergraduate learning.

Freshman Course Availability and Quality

The size of the freshman class more than doubled since the 1990's. Assuring sufficient numbers of freshman courses as well as maintaining and/or enhancing the quality of those courses has been a challenge. To maintain current freshman retention and lead to even higher retention rates, more faculty is required. We must continue to invest in improving the delivery of introductory courses that are key to success in each area of major study. These resources will provide additional instructional faculty to increase course availability and reduce class size, as well as enhance faculty involvement in student advisement.

Advising Availability and Quality

The Auditor General report on undergraduate education identified advising as a critical area in need of additional trained personnel. Since that report, ASU has made some progress in increasing the number of advisors available to students. However, much still needs to be accomplished. Providing students with frequent and high quality advising, and utilizing the latest technology to assure accurate and timely advising, will contribute to enhanced retention and graduation. We will be instituting a new advising system this year based on one used at the University of Florida. In Florida this system improved graduation rate by 7%. The system organizes the curriculum around the student and produces an individualized track to success for each student. The system also allows precision enrollment management, and the information needed to schedule required classes for each student

Advising Availability and Quality (Continued)

when the student needs them. We will need software and technology support to institute this system. The system allows advisors to focus on the personal advising students need, rather than on curricular requirements. The computer is more accurate and a better tool to provide the factual information on course requirements. Additional programming and technology staffing and support will be needed to support the system, which initially would be primarily provided by external resources. Additional staff resources would also be required in the colleges and schools to help support the increased interaction with student advising.

Major Course Availability and Quality

ASU continues to supply the majority of upper division instruction in Maricopa County. This results in a situation where we have significantly more juniors and seniors than freshmen and sophomores. This initiative would increase the number of major courses for juniors and seniors, increase the number of learner centered courses available for students, and support additional quality enhancements in major courses, especially in those majors that have experienced extensive growth. As part of the tracking system we will provide seats in required courses for all students when they are needed. This will require more frequent teaching of required courses, and thus more faculty. Sufficient courses and continual quality improvements in major courses are necessary for students to develop an up to date mastery of their major subject. Quality enhancement includes increased involvement of undergraduates in faculty research, greater opportunities for internships and service learning opportunities. This would support the hiring of experienced faculty and provide student project support to accomplish this continuous improvement concurrent with growth.

Graduate teaching stipends

ASU continues to lag other universities in the amount of stipend it pays for graduate teaching assistants in certain disciplines. An increase in those stipends is required for ASU to attract and retain the best and brightest graduate students in those disciplines. Funding would be used to selectively increase stipends to be more competitive in the graduate student market.

EFFECT ON UNIVERSITY IF DELAYED OR NOT FUNDED

Failure to fund this request will:

- Risk losing momentum in the improvement of freshman retention;
- Risk reductions in major course assignments;
- Risk insufficient course offerings in students' majors;
- Risk making no improvement in graduation rates, and,
- Reduce competitive ability to attract and recruit top graduate students.

ALTERNATIVES

While ASU will continue to make improvements in this area, funds are not available for initiatives of the scale proposed here.