



**ARIZONA BOARD OF REGENTS
SPECIAL BOARD MEETING & EXECUTIVE SESSION**

THIS IS A VIRTUAL MEETING

**Wednesday, December 18, 2024
9:00 a.m. - 11:00 a.m.**

Members of the public may attend the public portion of the virtual meeting by viewing the livestream of the meeting.

To view the livestream of the meeting please follow the instructions below.

ABOR Live is available at the following link: <https://www.youtube.com/user/abornews>

- Click the top video for the livestream of the meeting.

If the above link does not work, open a browser, go to www.youtube.com or search YouTube

- Once in YouTube, use the search bar to search for ABOR News.
- Click the video that says Live.

If livestream fails, a call-in option will be available for public access and will be posted on the ABOR website at <https://www.azregents.edu/meetings/abor-live>.

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9:00 a.m. CALL TO ORDER, GREETINGS, AND ANNOUCEMENTS FROM THE BOARD CHAIR

9:05 a.m. EXECUTIVE SESSION

The board will convene in executive session for the following items:

- Pursuant to A.R.S. §38-431.03(A)(1) and (3) for a review of assignments with Arizona Board of Regents Executive Director Chad Sampson.
- Pursuant to A.R.S. §38-431.03(A)(1), (3) and (4) for legal advice and discussion regarding the board's contract with the University of Arizona President Suresh Garimella.
- Pursuant to A.R.S. §38-431.03(A)(1), (3) and (4) for a review of assignments with Northern Arizona University President José Luis Cruz Rivera.

- D. Pursuant to A.R.S. §38-431.03(A)(3) and (4) for legal advice and discussion pertaining to Arizona State University's request to:
- 1) ratify the initiation of litigation against the City of Tempe;
 - 2) ratify the initiation of litigation against Team ASU, LLC.

10:45 a.m. RECESS

10:50 a.m. RESUME PUBLIC MEETING

1. Ratification of Authorization to Initiate Lawsuit Against the City of Tempe (ASU)

Pursuant to ABOR Policy 1-109.B, Arizona State University requests that the board ratify the board counsel's tentative approval for Arizona State University to initiate litigation against the City of Tempe.

2. Ratification of Authorization to Initiate Lawsuit Against an Infringing Entity Named "Team ASU, LLC" (ASU)

Pursuant to ABOR Policy 1-109.B, Arizona State University requests that the board ratify the board counsel's tentative approval for Arizona State University to initiate litigation against Team ASU, LLC.

3. Appointments of Interim Senior Vice President for Academic Affairs and Provost and Senior Vice President, Chief Operating Officer and Chief Financial Officer for the University of Arizona (U of A)

Pursuant to ABOR Policy 6-910, the University of Arizona (U of A) asks the board to approve the appointment of Dr. Ron Marx as Interim Senior Vice President for Academic Affairs and Provost and John Arnold as Senior Vice President, Chief Operating Officer and Chief Financial Officer.

4. Real Property Exchange with the Flagstaff Unified School District and Northern Arizona University

Northern Arizona University (NAU) requests board approval for an exchange of real property with the Flagstaff Unified School District (FUSD).

5. Assignment of Performance Goals for President Garimella

The board office asks the board to assign at-risk performance goals to President Garimella and to authorize the board chair to execute a contract amendment on behalf of the board to reflect the assigned goals.

11:00 a.m. ADJOURN

PLEASE NOTE: This agenda may be amended at any time prior to 24 hours before the board meeting. Estimated starting times for the agenda items are indicated; however, discussions may commence, or action may be taken, before or after the suggested times. Any item on the agenda may be considered at any time out of order at the discretion of the board chair. The board may discuss, consider, or take action regarding any item on the agenda. During the meeting, the board may convene in executive session pursuant to A.R.S. §38-431.03(A)(3) for legal advice regarding any item on the agenda.

Instruction re: Confidentiality

Pursuant to A.R.S. §38-431.03(B) & (C) all are reminded that minutes of and discussions that occur in executive sessions are confidential by law and that violations of that confidentiality may subject the individuals involved to such penalties as are prescribed by law, including fines, costs, attorneys' fees, and removal from office.

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EXECUTIVE SUMMARY

Item Name: **Ratification of Authorization to Initiate Lawsuit Against the City of Tempe (ASU)**

Action Item

Requested Action: Pursuant to ABOR Policy 1-109.B, Arizona State University requests that the board ratify the board counsel's tentative approval for Arizona State University to initiate litigation against the City of Tempe, as described in this executive summary.

Background/History of Previous Board Action

- Pursuant to ABOR Policy 1-109.B, Arizona State University ("ASU") sought and received tentative approval from the board counsel on December 5, 2024, to file a lawsuit against the City of Tempe arising from a December 2023 rupture in a Tempe water pipe running under Orange Street, on ASU's Tempe Campus.
- The water leak caused craters and settlement of Orange Street and other damages to ASU's infrastructure. Orange Street is owned by ABOR on behalf of ASU, but the City of Tempe has an easement to run the water pipe under the street. The water pipe is more than 40 years old and it is ASU's position that the City of Tempe failed to properly maintain and/or replace the pipe leading to ASU's damages.
- ASU has estimated that it will exceed \$1 million dollars to repair Orange Street and the damages to other infrastructure. The City of Tempe claims that the leak was caused by the installation of ASU infrastructure above the water pipe. The City of Tempe claims a total of \$234,000 in damages. ASU does not agree with that analysis.

Discussion

- ASU filed suit on December 9, 2024, in the Maricopa County Superior Court (the "Litigation").
- ASU now requests that the Board ratify the tentative approval to initiate the Litigation and authorize ASU to continue to pursue this Litigation on behalf of the board.

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Statutory/Policy Requirements

ABOR Policy 1-109.B requires that litigation initiated in the name of the Arizona Board of Regents must be authorized as outlined in the policy. Tentative approval to initiate litigation may be granted by the board's counsel following the notification and approval process in ABOR 1-109. Any emergency litigation is subject to ratification by the board at its next meeting.

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Item Name: **Ratification of Authorization to Initiate Lawsuit Against an Infringing Entity Named “Team ASU, LLC” (ASU)**

Action Item

Requested Action: Pursuant to ABOR Policy 1-109.B, Arizona State University requests that the board ratify the board counsel’s tentative approval for Arizona State University to initiate litigation against Team ASU, LLC, as described in this executive summary.

Background/History of Previous Board Action

- Pursuant to ABOR Policy 1-109.B, Arizona State University (“ASU”) sought and received tentative approval from the board counsel on December 6, 2024, to file a lawsuit against the Team ASU, LLC, regarding its alleged infringement of ABOR’s ASU trademark in connection with the unauthorized use of the ASU mark in its name, website domain name, and on athletic fitness equipment, sports training equipment, and other merchandise, and rendering of services to consumers and athletes under the ASU mark, even though such goods and services were not authorized or sponsored by Arizona State University or ABOR.
- ASU seeks both injunctive and monetary damages, asking the Court to enjoin Team ASU, LLC from continuing to infringe upon the ASU mark, require that Team ASU, LLC provide an accounting of all profits resulting from its sale of ASU-infringing goods and services, and award treble damages to ASU on the basis of these figures. ASU also seeks costs and fees, including attorney’s fees and pre-judgment interest.

Discussion

- ASU filed suit on December 12, 2024, in the federal District Court of Arizona (the “Litigation”).
- ASU now requests that the Board ratify the tentative approval to initiate the Litigation and authorize ASU to continue to pursue this Litigation on behalf of the Board.

Statutory/Policy Requirements

ABOR Policy 1-109.B requires that litigation initiated in the name of the Arizona Board of Regents must be authorized as outlined in the policy. Tentative approval to initiate litigation may be granted by the Board’s Counsel following the notification and approval process in ABOR 1-109. Any emergency litigation is subject to ratification by the Board at its next meeting.

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EXECUTIVE SUMMARY

Item Name: **Appointments of Interim Senior Vice President for Academic Affairs and Provost and Senior Vice President, Chief Operating Officer and Chief Financial Officer for the University of Arizona (U of A)**

Action Item

Requested Action: Pursuant to ABOR Policy 6-910, the University of Arizona (U of A) asks the board to approve the appointment of Dr. Ron Marx as Interim Senior Vice President for Academic Affairs and Provost and John Arnold as Senior Vice President, Chief Operating Officer and Chief Financial Officer.

Background/History of Previous Board Action

- On August 19, 2024, Dr. Ron Marx was appointed as Interim Senior Vice President for Academic Affairs and Provost following the departure of Dr. Joseph Glover. Dr. Marx previously served in the same role prior to the appointment of Dr. Glover.
- On July 1, 2024, John Arnold was appointed as Senior Vice President, Chief Operating Officer and Chief Financial Officer, having served previously as Interim Chief Financial Officer and Senior Vice President for Business Affairs since December 18, 2023.

Discussion**Senior Vice President for Academic Affairs and Provost**

- The Senior Vice President for Academic Affairs and University Provost serves as the Chief Academic Officer of the university and oversees all academic programs and units, exclusive of the health sciences. The position is responsible for all matters related to the academic mission of the university including faculty, academic programs, and student affairs.
- Dr. Marx (Ph.D., Stanford University) is Professor of Educational Psychology and Dean of Education Emeritus at UA. During his tenure as Dean, he held the Paul L. Lindsey and Kathy J. Alexander Chair. Dr. Marx held previous appointments at Simon Fraser University and the University of Michigan, where he served as the Chair of the Educational Studies Program and the Co-Director of the Center for Highly Interactive Computing in Education (winner of a Computerworld-Smithsonian Laureate for innovation in educational technology) and the Co-Director of the Center for Learning

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Technologies in Urban Schools (winner of the Council of Great Cities' Schools Urban Impact Award).

- Over his 50-year career in higher education, Dr. Marx has raised nearly \$40M in research, development and program grants. He has published and presented about 300 scientific papers and articles and has over 31,000 citations to his scholarship. His interdisciplinary research focuses on enhancing science education, with a particular focus on urban schools, and developing teacher professional development models. His recent work with psychologists, early childhood educators and public health researchers focuses on early education and school readiness.
- Dr. Marx is civically engaged as a founding board member of Tucson Values Teachers and a founding member of the leadership council of the Tucson Cradle to Career Initiative. He recently served as a trustee of the Community Foundation for Southern Arizona, chairing the Community Investment team from 2018-2020, and has served as a member of the Southern Arizona Advisory Board of Act One.

Senior Vice President, Chief Operating Officer and Chief Financial Officer

- The Senior Vice President, Chief Operating Officer and Chief Financial Officer at the U of A provides strategic leadership to and direction of the university's finance and administration functions and is a key member of the senior leadership of the university. This position oversees budget and financial planning; Campus Store (Bookstores); facility services, space management, Planning, Design & Construction, University Facilities Management; Financial Services – Bursar's Office, Catcard Office, Purchasing & Contracting, Auditing, Treasury, Accounts Payable, and Payroll; Parking & Transportation; Arizona Public Media; Office of Sustainability, and Student Unions.
- Prior to his time at the U of A, Mr. Arnold has served the state of Arizona in various capacities, serving as the Executive Director of the Arizona Board of Regents, the State Budget Director and the Director of the School Facilities Board.
- Mr. Arnold received his bachelor's degree in accounting and master's degrees in accounting and public administration from Brigham Young University.

Statutory/Policy Requirements

Pursuant to ABOR Policy 6-910(A)(2) and (3), board approval is required for the appointment of a university chief academic officer and chief financial officer

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Item Name: Real Property Exchange with the Flagstaff Unified School District and Northern Arizona University

Action Item

Requested Action: Northern Arizona University (NAU) requests board approval for an exchange of real property with the Flagstaff Unified School District (FUSD), as described in this executive summary.

Background/History of Previous Board Action

- FUSD owns Coconino County Assessor Parcel Number 103-25-005 (“Kinsey Site”), which is the current site for FUSD’s Kinsey Elementary School, consisting of approximately Ten (10) acres. The Kinsey Site is adjacent to the NAU boundary and is situated on the northwest corner of Lone Tree Rd and Pine Knoll Dr., refer to Exhibit A for depiction. A ballot initiative to replace Kinsey Elementary School was voted on and passed at the November 8, 2022, General Election.
- NAU owns Coconino County Assessor Parcel Number 103-26-002C consisting of approximately One Hundred Thirty-Three (133) acres of unimproved land and is situated in the northwest corner of Zuni Drive and Lone Tree Rd, refer to Exhibit B for depiction. Twelve (12) acres (the “Undeveloped Land”) of the NAU parcel is identified as the preferable site for construction of a new Kinsey Elementary School by FUSD, refer to Exhibit C for depiction.
- NAU and FUSD determined it would be mutually beneficial for NAU and FUSD to exchange the Kinsey Site and the Undeveloped Land in support of each institution’s educational mission under the terms of an Intergovernmental Agreement (IGA).
- The Kinsey Site is part of the U. S. Forest Service land to schools program and was conveyed to FUSD by the United States of America under Chapter 5430 of the Forest Service Manual on March 27, 1987. The deed includes reversion language and covenants restricting conveyance, see below:

“shall automatically revert to the UNITED STATES OF AMERICA if during a period of 40 years from the date of this conveyance (March 27, 1987), all or any part of the said property ceases to be used for public school purposes for a period of six (6) months. The School District does by the acceptance of this conveyance covenant and agree for itself, its assigns, and its successors in interest to said property or any part thereof, that the covenants set forth below shall attach and run with the land:

1. The School District shall use the lands above described for public school

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purposes and facilities necessarily incident thereto only.

2. *Any subsequent transfer of the property interest conveyed shall be subject to all covenants, conditions, and limitations contained in this instrument.”*

- FUSD and NAU have discussed the deed restrictions with the U.S. Forest Service office in Flagstaff and such office supports removal of the deed restrictions. However, it was determined a legislative solution should be pursued. NAU and FUSD will engage the appropriate representatives and work within the federal legislative process to advance removal of the deed restrictions.
- No previous board action.

Discussion

- NAU obtained two (2) independent appraisals in accordance with ABOR Policy 7-201(F)(2) and FUSD obtained one (1) in accordance with FUSD policies, values shown in the table below. The parties agree to use the lowest appraised values from NAU’s appraisal #2 for the real property exchange.

Appraisal Source	Kinsey Site	Undeveloped Land
NAU Appraisal #1	\$6,250,000	\$2,485,000
NAU Appraisal #2	\$4,040,000	\$1,910,000
FUSD	\$5,320,000	\$4,180,000

- The terms of the real property exchange are below:
 - The following general conditions will apply to the purchase/sale transactions:
 - FUSD and NAU will enter into customary real estate agreements for each transaction. FUSD will purchase the Undeveloped Land for One Million Nine Hundred Ten Thousand Dollars (\$1,910,000.00) and NAU will purchase the Kinsey Site for Four Million Forty Thousand Dollars (\$4,040,000.00).
 - FUSD and NAU will cooperatively pursue the removal of the deed restriction on the Kinsey Site with the federal government. If this effort to remove the deed restriction is not successful, NAU’s purchase of the Kinsey Site will not be completed, however the sale of the undeveloped land to FUSD will proceed. Financial transactions for the Property Exchange will occur in accordance with agreed upon purchase and sale transactions.

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- FUSD and NAU will each pay fifty percent (50%) of the actual roadway and off-site utility infrastructure costs associated with construction of a school by FUSD on the Undeveloped Land, such infrastructure costs are currently quoted at Eight Million Four Hundred Fifty-Four Thousand Eight Hundred Seven dollars (\$8,454,807.00).
- NAU will use the Kinsey Site in a manner consistent with its Master Planning activities and is specifically considering the feasibility of aligning use with the NAU College of Education's Early Learning and Development Center.

Statutory/Policy Requirements

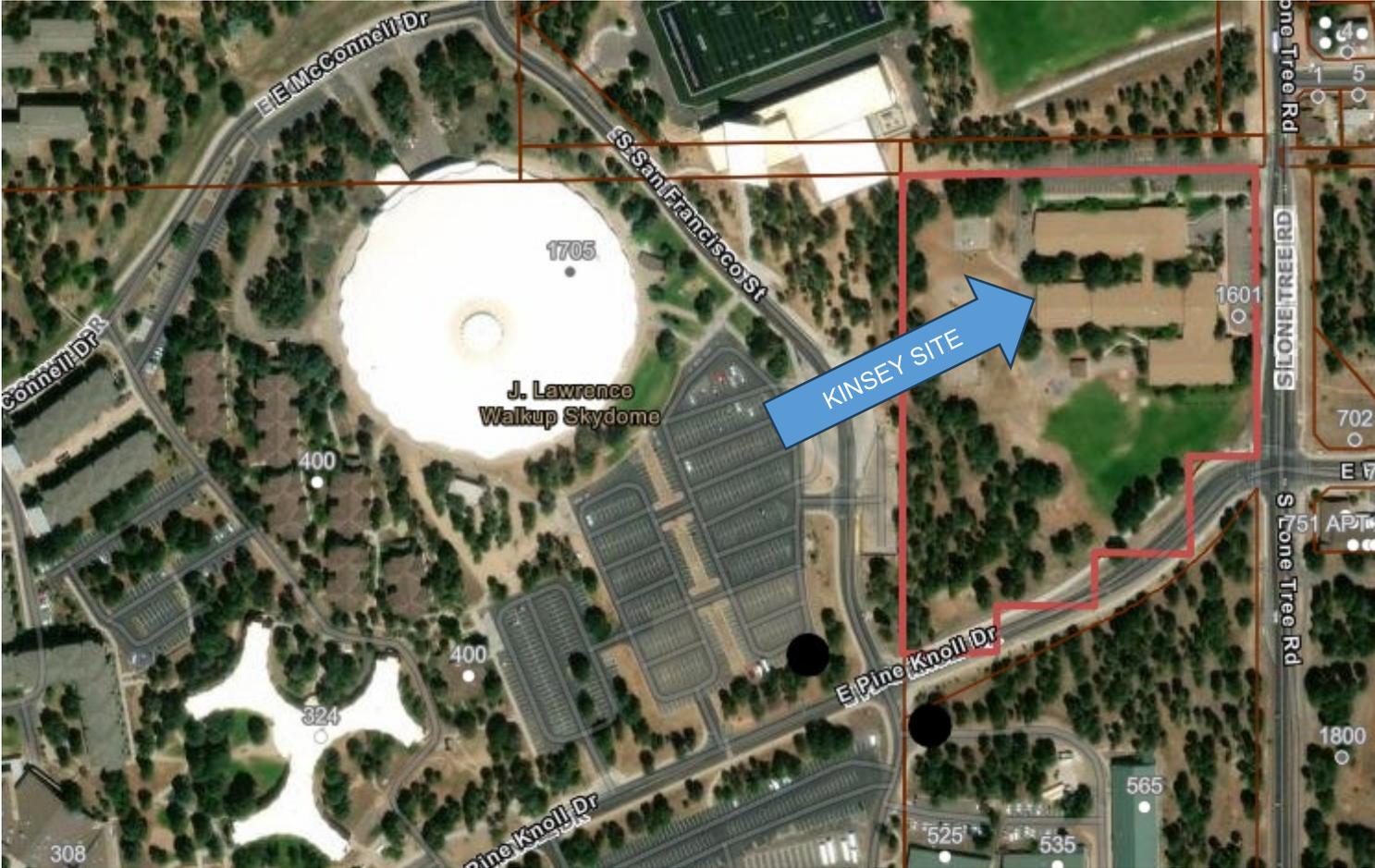
- ABOR Policy 7-201(D)(2) requires University Governance and Operations Committee review and board approval for the exchange of real property in which either parcel has a value of \$250,000 or more.
- ABOR Policy 7-201(F)(2) provides that two appraisals shall be obtained for any sale, purchase or exchange of real property with an anticipated sale price of \$1,000,000 or more.

Exhibits

- Exhibit A-Kinsey Site Depiction
- Exhibit B-NAU Unimproved Land Depiction
- Exhibit C-Undeveloped Land Depiction

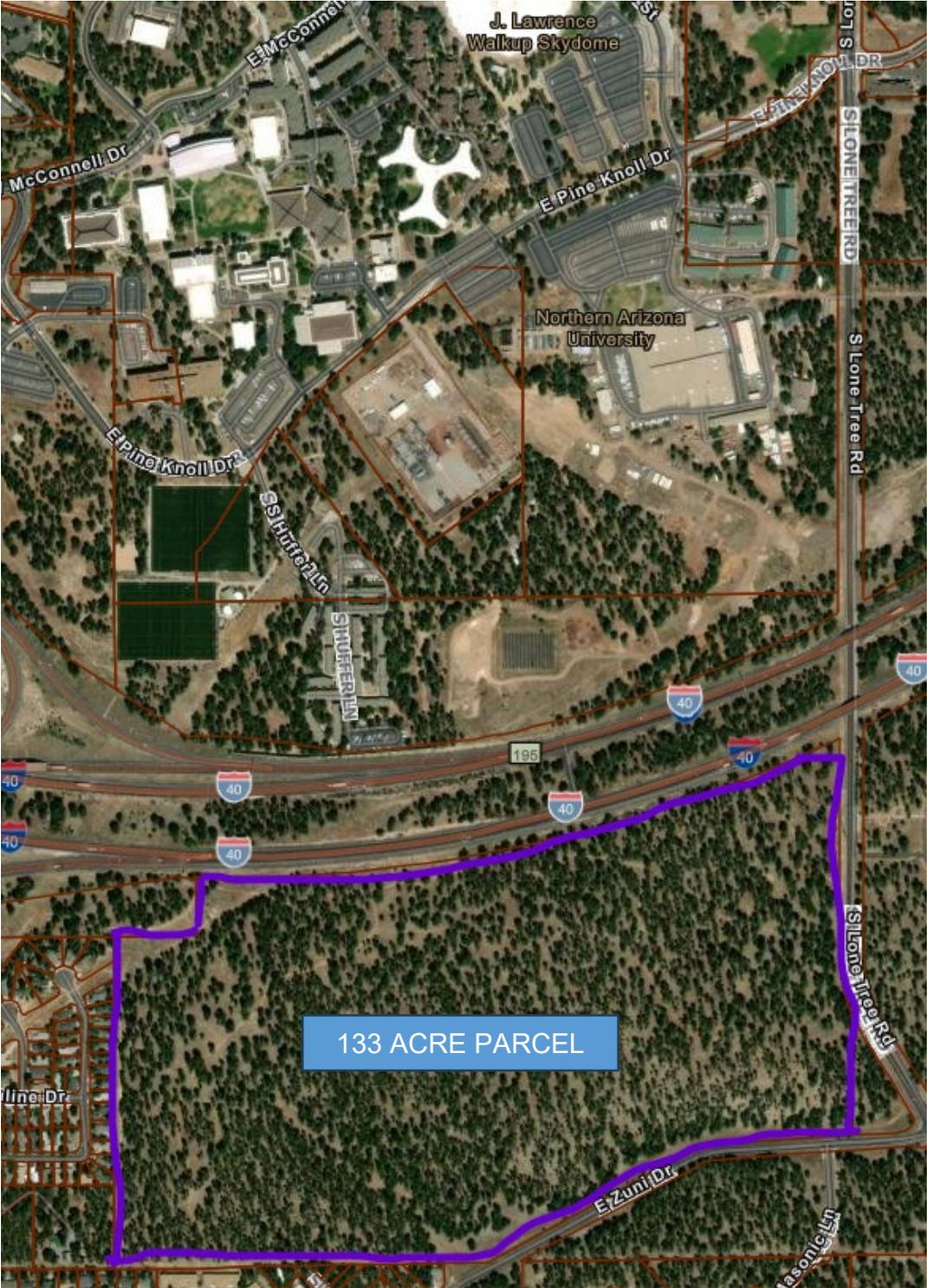
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**Exhibit A
Kinsey Site**



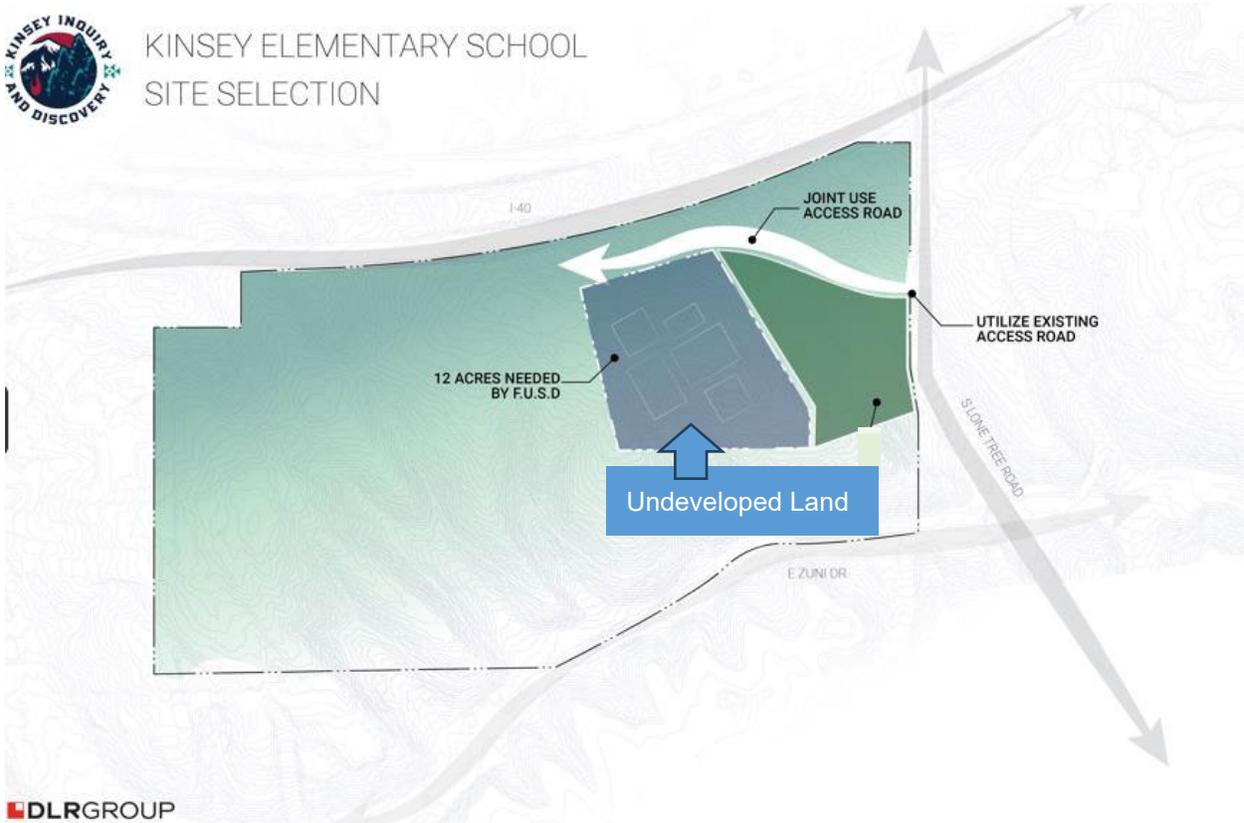
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**Exhibit B
NAU Parcel**



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**Exhibit C
Undeveloped Land**



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Item Name: **Assignment of Performance Goals for President Garimella**

 Action Item

Requested Action: The board office asks the board to assign at-risk performance goals to President Garimella and to authorize the board chair to execute a contract amendment on behalf of the board to reflect the assigned goals.

Background/History of Previous Board Action & Discussion

- President Garimella’s multiple-year employment contract provides for the board to assign him at-risk performance goals by December 31, 2024.
- The proposed 2024-2025 individual at-risk performance goals for President Garimella are reflected in Exhibit A.
- The board assigned 2024-2025 at-risk performance goals to the Enterprise Executive Committee (“EEC”) on November 7, 2024. As a member of the EEC President Garimella will be eligible for at-risk compensation for achievement of the EEC’s 2024-2025 goals.
- At-risk compensation is intended to place a portion of the individual’s compensation at risk.
 - Partial payment may be made for partial achievement of annual goals assigned for 2024-2025;
 - Annual goals for 2024-2025 will be measured as of June 30, 2025;
 - Reports regarding the achievement of the 2024-2025 annual goals are due by July 1, 2025; and
 - Payment for achievement of at-risk goals will be made by December 31 of the year in which achievement is determined by the board.
- Board approval of this item will authorize the chair to amend President Garimella’s contract to reflect the assigned goals.

Statutory/Policy Requirements

- A.R.S. § 15-1626 “General Administrative Powers and Duties of the Board”
- ABOR Policy 6-1101 “Appointment of Presidents and Executive Director”

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**Exhibit A
President Garimella
Proposed Annual At-Risk Compensation Goals for 2024-2025**

1. Strategic Vision (\$50,000)

Formulate elements of a vision for the future in collaboration with the broad array of university stakeholders. This will help sharpen our campus focus on student success and experience (including campus safety and compliance issues), strategic research growth in differentiated target areas, and engagement with our community, while also helping to elevate our communications and marketing efforts to a more strategic and intentional level that includes growth of impactful research in collaboration with corporate and other partners. This effort also includes answering the “Who are we” question through campuswide consultation so that a value proposition can be identified that underpins our branding, marketing and recruitment efforts.

2. Leadership Team (\$30,000)

Submit a report that documents the assembly of a high-quality, collaborative, mission-driven and effective leadership team for the University of Arizona (“U of A”) that delineates administrative and deliberative structures and that clearly articulates processes for decision-making and consultation.

3. Research (\$20,000)

Work with the Arizona State University (“ASU”) President to identify areas where U of A and ASU have common strengths in research excellence that lead to collaboration on research proposals.

4. Athletics (\$45,000)

Position the U of A as a beacon of innovation and excellence in collegiate athletics nationwide by creating an ambitious five-year strategy. This comprehensive plan will:

- Establish U of A as a dominant force in revenue-generating sports and within the Big 12 conference.
- Chart a course for excellence with clear tactical steps and annual benchmarks to measure progress.

Key pillars of the strategy include:

- Fan and Alumni Engagement: A reimagined approach to ignite passion and cultivate unwavering support.
- Donor Development: A donor-centric philosophy that goes beyond transactional relationships so as to connect, grow and galvanize the U of A community, throughout the state, nation and beyond.

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- Holistic Student-Athlete Academic and Athletic Excellence: Demonstrated through retention, graduation success rates, career placement and competitive success.
- Big 12 Leadership: Consistently ranking in the conference's top three as a testament to U of A's commitment to excellence and doing so while operating with integrity and in compliance with appropriate governing body rules and regulations.

5. New Revenue Streams (\$40,000)

Create a comprehensive list of new revenue streams to support public higher education that embraces innovative, forward-thinking strategies. Incorporate creative revenue streams, transformative initiatives and financing models.

6. University Budgeting (\$40,000)

Bring under control the budget challenges at the U of A, institute more clear and transparent budgeting and accounting processes for the university, expand capacity in the division, continue to address days cash-on-hand, and oversee the correction of the deficit and improvement in budget processes and financial administration in Athletics. Move toward a more sustainable, transparent and accountable budget model for the university.

At-Risk Goal Report

A written report describing achievement of annual goals is due to the Board by July 1, 2025. Achievement of annual at-risk goals will be measured as of June 30, 2025. Partial payment may be made for partial achievement of the annual goals.

In addition to any elements described in the goals, the president's report should describe the following for each goal:

- The strategic importance of the goal to the university or enterprise strategic plan;
- Achievement of the goal as assigned, progress toward achievement, or challenges that prevented achievement and a strategy for overcoming those challenges;
- Data or other evidence demonstrating achievement;
- Any administrative, personnel, resource allocation or policy changes associated with achievement of the goal;
- The plan or proposed strategy for maintaining the achieved goal or the momentum put in place in support of the strategic initiative(s) described in the goal; and
- Any additional issues the president believes may be relevant to the evaluation of the goal or to the continued success of the initiative described in the goal.

Reports may include sections that describe confidential personnel or proprietary information. Those sections should be marked appropriately, and those elements may be limited to executive session review by the Board.

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The report for each goal should include an Executive Summary of a maximum of two pages in length. Additional supporting data and comments should not exceed an additional 15 pages.