Tempe, Ariz. – During a special meeting of the Arizona Board of Regents today, the board approved a new model for the fiscal year 2021 state budget request that focuses on enhancing Arizona’s competitiveness.

The FY 2021 budget request proposes “The New Economy Initiative: Enhancing Arizona’s Competitiveness.” The $165 million request would advance:

- National visibility for Arizona as a frontrunner moving toward the New Economy;
- Enhanced outcomes for economic transformation of the Arizona economy, thereby retaining the skilled labor force needed for attraction and retention of New Economy industries;
- Additional new teachers to meet the teacher shortage for K-12;
- Increased enrollment and expanded programs at regional degree sites throughout Arizona;
- Financial aid tied to an easy-to-understand model; and
- Dedicated state matching funds to raise the competitiveness of the universities’ capacity to compete for major federal research funding where a state match can make a difference.

“The governor’s leadership with the support of the Arizona Legislature has positioned the state successfully as a leader in its job growth and economic prosperity. The governor has transformed the fiscal situation of the state from a deficit of $1 billion to a Rainy Day Fund that now exceeds $1 billion,” said ABOR Chair Larry E. Penley. “The board is committed to serving the state of Arizona in the face of significant New Economy forces that will transform our economy.”

Chair Penley added, “These New Economy forces include transformation of the kind work that we do; the kinds of technology-driven businesses that will dominate the economy; the demographic challenges to available labor that lie ahead; and the risks of job loss, especially outside the urban core. The proposal addresses the education and training that the state will need to maintain its prosperity. It also enhances the capability of the state to support the development of research that leads to New Economy businesses, and it incentivizes student attainment in high school and college with financial aid. Now is the time to capitalize on the state’s momentum.”

Following is an overview of the budget request allocation:
The fiscal year 2021 request also includes making the $35 million appropriated in fiscal year 2020 permanent and additional funds for NAU to provide support to enrollment, undergraduate faculty recruitment and retention, quality education and marketing efforts.

“Gov. Ducey is asking the universities to facilitate an enhanced transition for Arizona to the new economy,” said ABOR Executive Director John Arnold. “We believe this proposed budget represents a strong partnership between the universities and the state and reflects the universities’ duty to work toward the improvement of the state.”

Chair Penley added, “We are making this request not for us, not for higher education, but for the state of Arizona.”

Following are details on the budget request:

**Arizona Teachers Academy Continuing Education - $15M**
Expand the scale of the academy, focusing on its availability for all college students, including those who take majors in math, science and other fields for which there is a shortage in Arizona’s schools and to provide continuing education scholarships and programs for current teachers, counselors and education leaders.

**Distributed Learning Centers - $10 M**
Enhance the viability and scale of the various university learning centers in locations outside of Tucson, Flagstaff and metro Phoenix. Allocations would be made by ABOR to specific centers around the state with special focus on the more rural counties.

**Defined Statewide Financial Aid - $30M**
Expand need-based financial aid for the most meritorious high school graduates to increase the extent to which homegrown talent graduates from high school and receives advanced college education. The $30 million investment would be used as last dollar financial aid to increase the college-going rate for fully qualified students.

**New Industry Research Competitiveness - $10M**
Raise the competitiveness of the universities’ capacity to compete for major, federal research funding where a state match can make a difference. These funds would be allocated by the Office of the Governor.

**Workforce Development - $100M**
- **Arizona State University - $46M**
  Provide a workforce ready for success in the new economy, and design and launch the largest center for engineering education and research in the United States, growing enrollments to 25,000+ and making metro Phoenix the leading center for engineer production in America.

- **Northern Arizona University - $22M**
  Prepare a robust talent pipeline in high demand fields, with an emphasis on healthcare, including mental and behavioral health, as the largest private industry in Arizona. Expand opportunities for students to enter high demand fields in increasing numbers by increasing the educational opportunities available in Arizona through a variety of delivery models and at a variety of locations.

- **University of Arizona - $32M**
  Prepare Arizona for a leading role in those elements of the New Economy related to the Fourth Industrial Revolution, including personalized medicine (precision health), advances in communication and connectivity, and expanded medical access, new public health and economic enhancement initiatives, new health-care strategies and tools.