

EXECUTIVE SUMMARY**Item Name: FY 2025 State Budget Request** Action Item

Requested Action: The board office asks the board to approve the FY 2025 state budget request of the universities and board office, as described in the executive summary. The approved requests will be forwarded to the governor by September 1.

Background

- On September 1, the Board of Regents, universities, and state agencies are required to submit budget requests to the Governor's Office for consideration during the construction of the Governor's FY 2025 proposed budget.
- The university system has developed a FY 2025 budget request that affirms its promise to Arizona – to increase postsecondary access and attainment for Arizona students while increasing quality, affordability, and efficiency. This budget request focuses state investment on widening educational opportunity and producing the healthcare and educational workforces that are needed in Arizona.

	FY 2025 Budget Request (\$ in millions)					
	ABOR	ASU	NAU	UArizona	Other*	Total
AZ Healthy Tomorrow Projects		\$ 50.0	\$ 27.0	\$ 63.0		\$ 140.0
Arizona Promise Program**	\$ 3.5	\$ 67.5	\$ 18.4	\$ 26.4		\$ 115.0
Arizona Teachers Academy***	\$ 0.2	\$ 11.0	\$ 5.4	\$ 2.4	\$ 1.0	\$ 20.0
College Access and Attainment	\$ 10.0					\$ 10.0
Cybersecurity		\$ 1.7	\$ 1.7	\$ 1.7		\$ 5.0
Capital		\$ 50.0	\$ 50.0	\$ 50.0		\$ 150.0
Total FY25 Request	\$ 13.6	\$ 180.2	\$ 102.4	\$ 143.4	\$ 1.0	\$ 440.0

FY25 one-time reductions \$ (74.7)

Net requested increase \$ 365.3

* Community College systems and the Arizona Department of Education.

** Allocations based on Fall 2022 eligible enrolled students at each university.

*** Estimates based on FY 2023 awards at each institution.

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602-229-2525

480-727-9920

520-621-5977

928-523-4240

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Discussion

The budget proposal is categorized in three areas:

AZ Healthy Tomorrow:	\$140.0 M
Expanding Access:	\$155.0 M
Capital Investment:	<u>\$155.0 M</u>
Total	\$440.0 M

AZ Healthy Tomorrow

ASU Health:	\$50.0 M
UArizona Medical Schools:	\$63.0 M
NAU Allied Health:	\$27.0 M

- \$50 million will support the establishment of ASU Health, which will include a medical school, a school of advanced medical engineering, and a health observatory at Arizona State University.
- \$63 million will address the immediate physician shortage by doubling enrollment at both UArizona's College of Medicine Phoenix and College of Medicine Tucson, including expanding faculty, clinical skills educational technology support, simulation, and infrastructure necessary to support larger class sizes, and reduce UArizona Main Campus subsidy of UAHS.
- \$27 million will support the expansion of NAU's allied health offerings in order to address key workforce needs and to provide infrastructure and access to healthcare capacity focused on rural Arizona.

Expanding Access

Arizona Promise Program:	\$115 M
Arizona Teacher's Academy:	\$20 M
College Access and Attainment Network:	\$10 M

- The additional \$115 million in funding for the Arizona Promise Program would bring the program funding to \$135 million, which will fully fund need-based aid for the current eligible student population.

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- The additional \$20 million for the Arizona Teachers Academy will bring Academy funding in FY 2025 to a total of \$35 million. This increase will provide additional scholarships leading to more and better-qualified teachers in Arizona.
- The requested \$10 million will support collaborative efforts between NAU and ABOR to advance development of a statewide network of colleges and partnerships that enhance postsecondary access and attainment and fuel prosperity for Arizonans. This work will leverage NAU's current statewide footprint and strong partnerships with K-12 schools and community colleges, as well as design a college concept powered by NAU.

Capital

NAU Deferred Maintenance:	\$50 M
UArizona Engineering Innovation Lab:	\$25 M
UArizona Building and Infrastructure:	\$25 M
ASU ISTB 9 Building:	\$50 M
Cybersecurity Enhancements:	\$ 5 M

- The total capital request for FY 2025 is \$155 million. The state building renewal formula calculation for the universities was \$219.7 million in FY 2024.
- \$50 million will be used for necessary building and infrastructure repairs and renovations at NAU.
- \$50 million will be used for construction of a new Engineering Innovation Lab and additional building and infrastructure projects at the UArizona.
- \$50 million will be committed toward construction of ISTB 9, an interdisciplinary science and technology building at ASU.
- \$5 million for cybersecurity would allow the universities to expedite key infrastructure upgrades related to cybersecurity to stay ahead of known and emergent threats.

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Statutory/Policy Requirements

- A.R.S. §35-113: Submission of budget estimates
- A.R.S. §15-1626: General administrative powers and duties of board; definition
- ABOR Policy 3-401: “Legislative Budget Request”

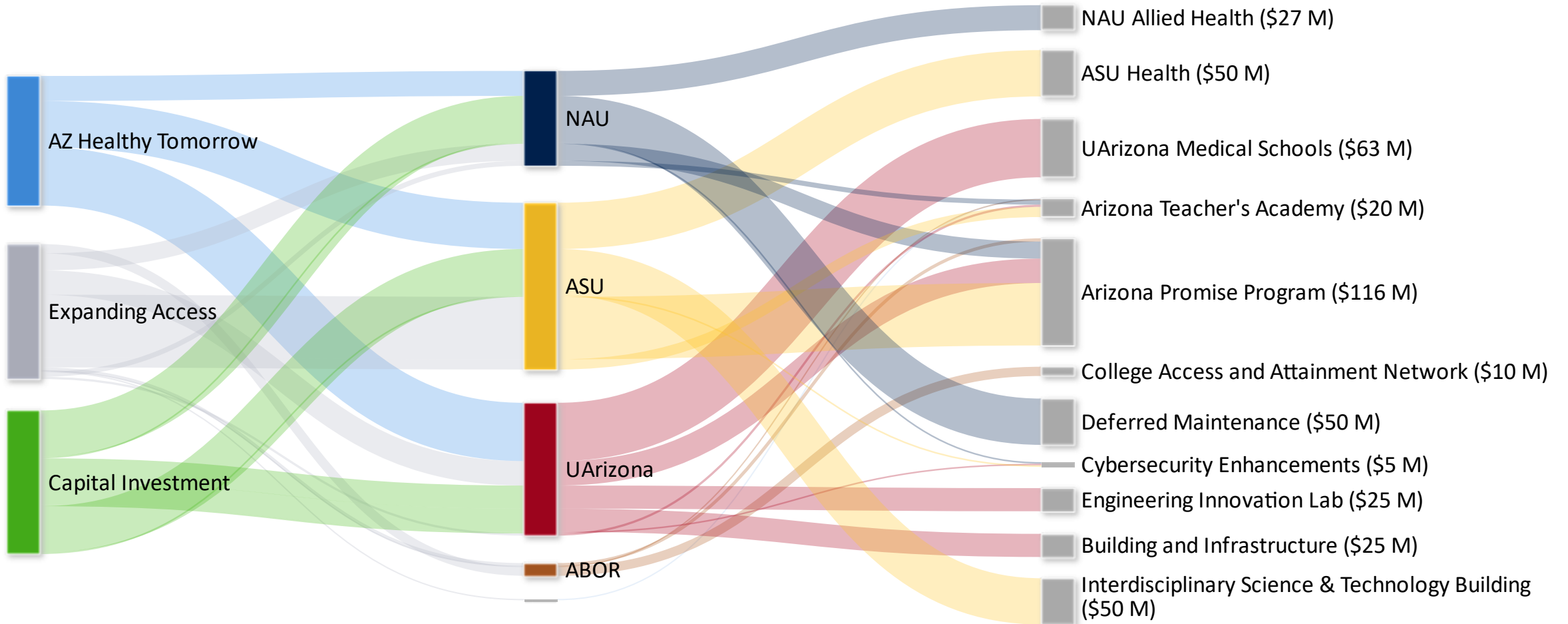


FY25 State Budget Request

Bradley Kendrex

August 24, 2023

Proposed FY25 State Budget Request



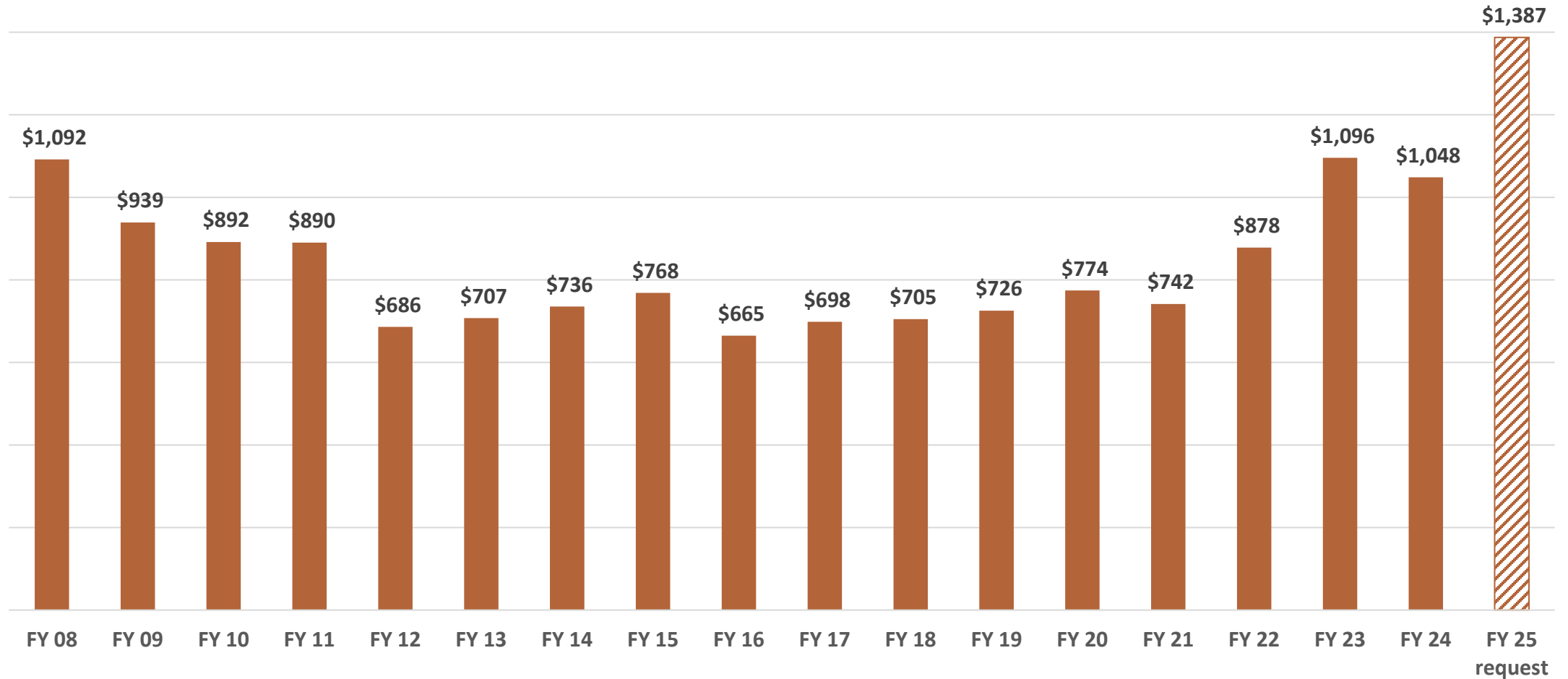
Proposed FY25 State Budget Request

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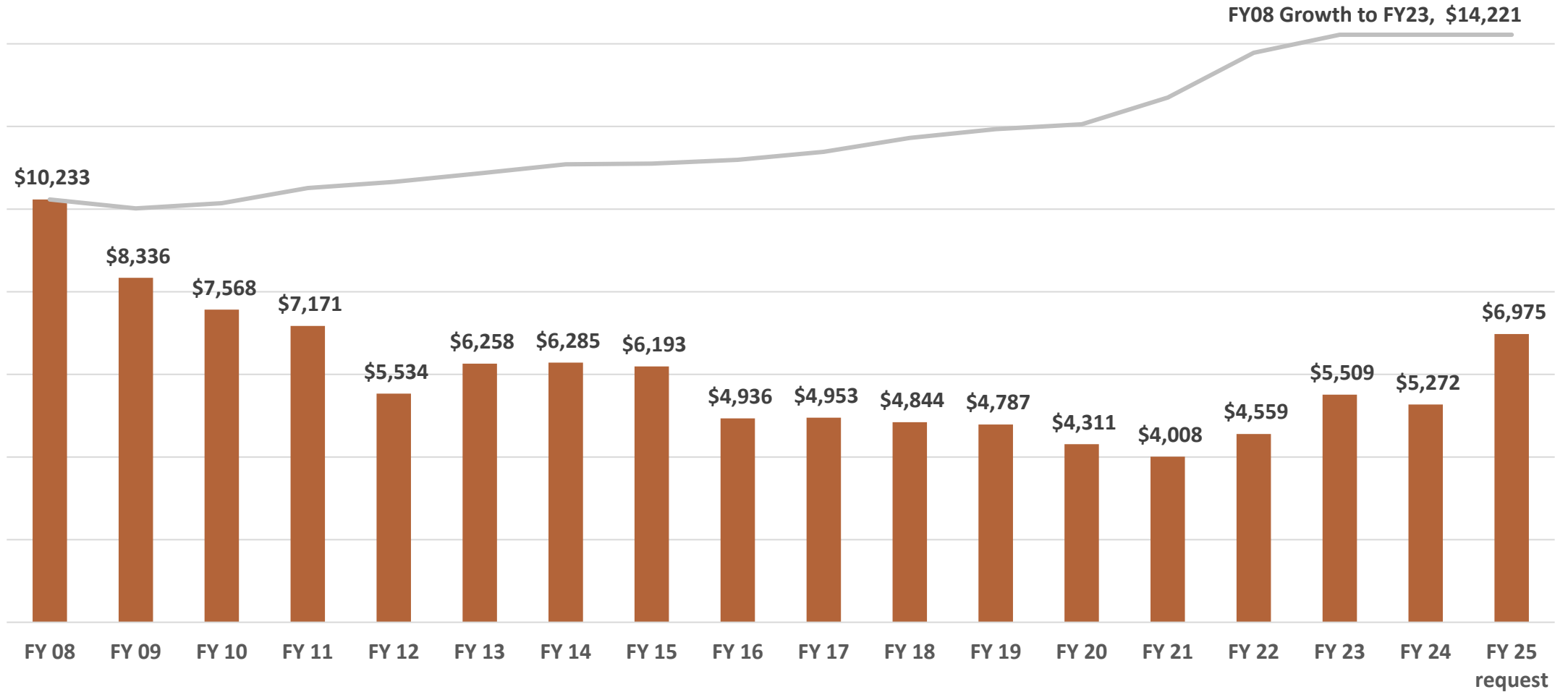
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State Appropriations to the Universities (in millions)



State Appropriations per FTE Student





THANK YOU