



Statement
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ABOR Reaction to Gov. Ducey's Proposed FY16 Budget

"...a turning point for higher education in Arizona."

The following statement may be attributed to ABOR President Eileen I. Klein:

(Phoenix, Ariz.) – The Arizona Board of Regents appreciates the enormity of the task ahead that Gov. Ducey faces as he sets out to strike a balanced budget for our state. Indeed, in his State of the State address this week, the governor outlined key reforms that can have positive outcomes and meaningful impacts on the budget. We applaud his vision to keep fiscal responsibility, economic development and strengthening our K-12 system foremost priorities through his leadership.

The budget released today calls for \$75 million in cuts to Arizona's public universities. While there are many complex issues involved in delivering a balanced budget to Arizona citizens, defunding our universities is not a sustainable solution to our state's economic challenges.

When the universities were dealt deep cuts during the Great Recession, the cuts had an exacting toll on our university system in measures such as workforce reductions, closed academic programs, schools and campus sites, furloughs and more. Tuition also increased because of the deep cuts. Arizona leads the nation in funding cuts and tuition increases.

Today, the state of Arizona is a minority shareholder in its public universities, despite our universities being constitutional entities. Approximately only one-quarter of our public universities' operating funds come from the state. Tuition dollars fund the majority of the operating budget. Arizona's students and families simply cannot bear the burden of continued increases in tuition. As well, students must be able to plan for their tuition. Just last year, we were able to deliver predictable tuition at all three of our state universities.

Arizona's public university system is foundational to the state's economic prosperity. Universities provide the educated workforce for companies to hire, serve as incubators for new ideas and innovations, and help attract new companies and industries to Arizona. With two-thirds of job openings in Arizona requiring bachelor's degrees by 2018, opportunity no longer begins with a high-school diploma, but rather with a college degree.

While our public mission remains, there is no question that our relationship with the state is dramatically and rapidly changing.

We are at a turning point for higher education in Arizona. We must revolutionize our operational model and completely redefine our relationship with the state. We appreciate the governor's philosophy that reduced administrative burdens and statutory changes can improve operations for the universities, and we intend to pursue the enactment of regulatory reforms so the universities can operate as entrepreneurial enterprises. We also must transition our higher education enterprise to a performance-based funding model that can support the state's economic goals.

As state funding cuts plague higher education nationally, we have the opportunity to become the new model for higher education.

We are committed to minimizing the impact on access and affordability at our universities. We ask Arizona students and families for their confidence and support as we navigate our path forward to stay true to our mission of access and affordability for all Arizona residents and to allow our university system to be the catalyst for strong economic growth in our state.

We look forward to working with the governor and the legislature during this session.

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