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## **Arizona Board of Regents Responds to Auditor General Report**

Phoenix, Ariz. – The Arizona Board of Regents has provided a [detailed response](#) to findings by the Arizona Auditor General regarding ABOR’s oversight of university real estate transactions.

The board has developed a robust real estate policy that may well be a model among universities and established a University Property Real Estate Subcommittee that has increased the board’s oversight consistent with policy.

[State statute](#) authorizes ABOR to lease real property for the benefit of the state and for the use of the universities it oversees. The board and universities look for new ways to be innovative and entrepreneurial in developing alternative funding strategies, including pursuing commercial lease transactions involving university property.

“Arizona students and taxpayers benefit when universities partner with the private sector because these collaborations help support university operations without relying on state funding or increased tuition,” said ABOR Chair Larry E. Penley. “While we believe the board has policies in place that strike an appropriate balance by ensuring proper oversight of these transactions while granting the flexibility necessary to partner with the private sector, we recognize no governance policy is perfect. The board will study how best to incorporate the Auditor General’s recommendations.”

In 2018, ABOR [updated its policies](#) regarding university real estate transactions to ensure the appropriate use of these public resources. The board is confident it has rigorous oversight of transactions involving the commercial lease of university property. In fact, the Auditor General’s report acknowledges it was unable to identify any state nationally with a more comprehensive policy governing such university transactions.

“The board receives regular reports from Arizona State University, Northern Arizona University and the University of Arizona regarding their progress in meeting ABOR-defined goals, as well as information on capital planning, real estate leasing and myriad other aspects of university operations,” Chair Penley said. “As always, our mission is to ensure these institutions are operating in the best interest of the Arizona students and families we serve. We thank the Auditor General for these recommendations to strengthen our already robust governance of Arizona’s public universities.”

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