

**EDUCATE • DISCOVER • IMPACT**

**Contact:** Sarah Harper, (602) 402-1341, sarah.k.harper@azregents.edu  
Julie Newberg, (602) 686-1803, julie.newberg@azregents.edu

**Highlights of Special Board Meeting: State Budget Requests, TRIF Report, Cost Containment Report, Committee on Free Expression Report**

Phoenix, Ariz. – Following are news briefs from the Arizona Board of Regents special meeting on Thursday, Aug. 23. Board materials are available [here](#).

**FY 2020 State Budget Requests Approved**

The Arizona Board of Regents approved fiscal year 2020 state budget requests from Arizona State University, Northern Arizona University, University of Arizona and the ABOR office. The budget requests continue an ongoing recommendation for funding from the state to cover 50 percent of the cost of education for Arizona resident students.

Currently the state funds approximately 34 percent of the cost of education for resident students. The board's resident student-centered funding model was adopted in fiscal year 2017. To reach 50 percent by 2022, the board is requesting \$87.6 million systemwide in state appropriations for fiscal year 2020, 2021 and 2022. To accommodate increasing resident student enrollment, the universities are requesting funding of \$15.1 million in fiscal year 2020 for new students to maintain current per student funding levels.

Combining base funding with growth funding, the total ongoing request for fiscal year 2020 is \$102.7 million.

The following table summarizes the fiscal year 2020 request:

	50/50 Model 3-Year Phase-In	Resident Growth	Total
ASU	\$46,951,900	\$9,453,700	\$56,405,600
NAU	\$17,575,200	\$2,541,900	\$20,118,100
UA	\$23,070,500	\$3,144,100	\$26,214,600
<b>TOTAL</b>	<b>\$87,598,600</b>	<b>\$15,139,700</b>	<b>\$102,738,300</b>

*Supplemental request to cover increased costs to universities for state's health insurance trust fund*

The approved budget request also includes \$10.5 million in fiscal year 2019 to recover increases in costs to the universities for the state’s health insurance trust fund. For fiscal year 2019, the state increased health insurance charges on employers due to a shortfall in the state’s health insurance trust fund. The increased charges to the universities, net of the appropriations intended to cover direct premium increases, is estimated at \$10.5 million.

The budget request, which will be submitted to the governor and Legislature by Sept. 4., can be viewed [here](#).

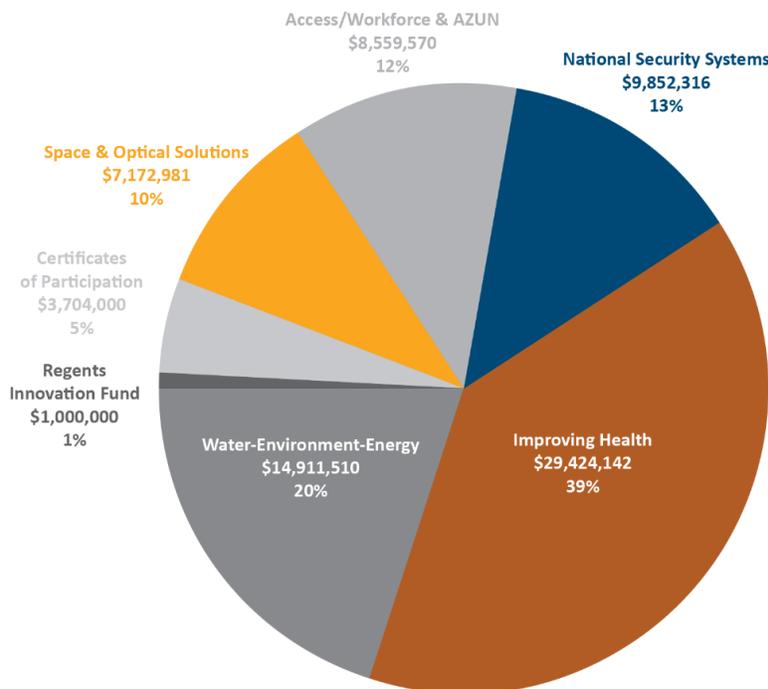
### Board Approves Report Detailing Research Funded by Prop. 301 Sales-Tax Revenues

The [2018 Technology and Research Initiative Fund \(TRIF\) annual report](#), which showcases research funded by Proposition 301 sales-tax revenues, was approved by the board. Arizona law established TRIF using a portion of Proposition 301 sales-tax revenue and gives ABOR the responsibility to administer the funds. The majority of TRIF funds are allocated to the universities on a five-year budget cycle for specific projects in the following key areas:

- Improving Health
- Water, Environment and Energy
- Space Exploration and Optical Science
- National Security
- Higher Education Access and Workforce Development

The TRIF report is a comprehensive summary of the prior year’s TRIF activity and expenditures at Arizona’s three public universities.

In fiscal year 2018, Arizona’s public universities received approximately \$77 million in TRIF revenue. Total TRIF revenue received to date since the inception of the program in June 2001 is over \$1,041 billion. The following graph shows where TRIF dollars were invested in fiscal year 2018:



“TRIF funds directly fuel the advancement of research at our public universities and, in turn, drive economic development and new innovation that provides a significant return on investment for our citizens,” said ABOR Executive Director John Arnold. “TRIF-funded projects attract additional funds to the universities, provide exceptional learning opportunities for our students, launch new startup companies and generate patents. We applaud our Legislature and Gov. Ducey for making a new 20-year commitment. This year, TRIF-enabled university research attracted \$457 million in outside revenue, a return of almost five to one for Arizona to this program.”

In fiscal year 2018, TRIF-funded projects attracted an additional \$457 million from sponsored awards and gifts.

Specific examples of TRIF-supported research at Arizona’s public universities in 2018 include:

- Water, environmental and energy solutions is a TRIF-funded research focus area at ASU and capitalizes on the key role that Arizona can play in the future of energy technology, education and commercial development. Leveraging TRIF investments, the ASU LightWorks initiative has secured more than \$26.8 million in research awards in the past five years. In fiscal year 2018, the Office of Naval Research awarded LightWorks \$2 million to advance intelligent distributed electrical architectures with secure controls that enable more flexible and resilient solutions for naval, civilian and humanitarian needs.
- Northern Arizona University’s TRIF investments under the Improving Health initiative range from basic, applied and translational research in human biology, bioengineering and microbiology/genomics, to clinical, community and behavioral health sciences. By building valuable partnerships with local and regional healthcare providers, research institutions and tribal communities, NAU researchers are generating discoveries and innovations that have an immediate and long-lasting impact on the health and well-being of the diverse populations of Arizona.
- With TRIF funding for the National Security Systems initiative, the University of Arizona is bringing new resources — grants, contracts and connections — to Arizona, advancing the state’s economy through public-private partnerships in the defense and aerospace industries and developing new technologies to solve complex security challenges. These efforts, facilitated through the UA’s Defense and Security Research Institute, are expanding the nation’s defense and security interests as well as opportunity for further market growth in these sectors throughout the state. Evidence of the success of the approach includes nearly \$9 million in awarded defense contracts and agreements.

TRIF dollars also support Regents Innovation Fund (RIF) grants that are instrumental in supporting university research and contribute to collaborative research efforts among the universities to devise solutions to Arizona’s challenging problems. Each year the regents review the project proposals and allocate approximately \$1 million towards RIF projects. The Arizona Tri-University Transportation Research Collaboration is a RIF project that examines the transportation infrastructure resilience between Phoenix, Tucson and Flagstaff, including the I-10 corridor. The research also is examining roadway weather prediction and warning systems to understand risk assessment for dust storm impacts on freight transportation and building statistical models of key risk factors.

## **Cost Containment Report Highlights Cost-Saving Measures**

Measures taken by Arizona's public universities to contain costs as well as increase efficiency, in addition to trends in tuition, fees, campus housing, student enrollment and more, are detailed in the board's first Cost Containment Report. Last year, the Arizona Legislature amended state statute with the requirement that the board annually provide information regarding cost containment at ASU, NAU and UA.

Information in the report includes:

- Historical data on tuition and mandatory fees and average on-campus housing and meal plan fees during the previous fiscal year and fiscal years 1999, 2004, 2009 and 2014.
- The number of full-time equivalent students and total salaries of university employees differentiated between faculty, classified staff and administrators during the previous fiscal year and fiscal years 1999, 2004, 2009 and 2014.
- Actions taken by each university to contain costs at the university and the savings associated with those actions.
- The allocation of faculty resources based on the time needed to instruct students and to conduct other research activities.

The report highlights concrete steps Arizona's universities have taken to identify and pursue cost-saving opportunities. Examples include: elimination of jobs; consolidation or elimination of academic departments; program restructurings; growth of pathways programs from community colleges to the universities; accelerated degree programs; implementing "cloud" computing resulting in increased productivity and savings; refinancing outstanding debt; reviewing staffing needs/reorganizing units; contract negotiations and third-party partnerships; consolidation of campus sites that were under-enrolled; and more.

The report can be viewed in detail [here](#).

## **Board Approves ABOR Committee on Free Expression Annual Report**

The board approved the ABOR Committee on Free Expression's first annual report, which reflects the board's commitment to ensure the fullest degree of intellectual freedom and free expression at Arizona's public universities.

The committee was created through Arizona Revised Statute § 15-1867 and tasks the board with forming the committee to address topics related to free expression at Arizona's public universities. The committee convened earlier this month to propose topics for the coming year and to draft the annual report.

Composed of 16 members who have been appointed by the university presidents and leadership of the board office, the committee also will consider any challenges to protected speech and identify educational programs offered by the universities related to free expression.

The approved report reflects the following principles:

- The board and the universities strive to ensure the fullest degree of intellectual freedom and free expression.

- The universities do not shield individuals from speech protected by the First Amendment, including ideas and opinions that may be unwelcome, disagreeable or deeply offensive.
- Students, staff and faculty members may discuss any topic, as the First Amendment allows.
- The board and the universities do not tolerate barriers to or disruptions of protected speech.
- All expressive activities are subject to reasonable time, place and manner restrictions as permitted by law. Further, not all speech is protected speech. Expressive activities are subject to other applicable laws, including laws that address discrimination, harassment, safety, defamation, threats, privacy and confidentiality. Actions that unlawfully disrupt the function of the board or university are also prohibited.

ABOR Executive Director John Arnold, chair of the Committee on Free Expression, will submit the report to the governor, Legislature and secretary of state by Sept. 1.

“The Arizona Board of Regents recognizes that free speech is critical to the mission and function of a strong university system, and we take seriously our duty to protect this fundamental, constitutionally guaranteed right on college campuses,” Arnold said. “We take pride in our universities that are actively protecting freedom of expression on our campuses while ensuring that our institutions remain safe and welcoming for students, staff and faculty.”

The board also approved revisions to ABOR Policies 5-308 “Student Code of Conduct,” 5-401 “Student Disciplinary Procedures” and 5-404 “Student Disciplinary Files and Records” to clarify language to distinguish between educational interventions, disciplinary sanctions, and other administrative actions, as well as to define the term “Disciplinary Proceeding” for purposes of implementing A.R.S. § 15-1866(A)(5).

For additional resources regarding the statute, the committee and related information, visit [this page](#).

###