



News Brief

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Highlights from the Arizona Board of Regents February Meeting

ABOR amplifies its priority to mitigate cuts to higher education

Significant cuts to Arizona's public universities are under consideration by the Arizona State Legislature and there is a chance the budget could include cuts beyond the governor's proposal of \$77.5 million, a 10 percent cut.

The Arizona Board of Regents [adopted a unified position](#) that reductions should be limited in size and duration, with triggers in the state budget that funding for the universities should increase as soon as the state's budget position improves to prevent further erosion of the universities.

The board called for the state to adopt its regulatory reform agenda, which includes initiatives to enhance operational flexibility and entrepreneurialism at the universities resulting in increased efficiencies and cost savings. The board's position amplifies its priority to stave off unnecessary cost shifts to Arizona families.

"While there may be reductions to help resolve the state's short-term fiscal challenges, further diminished state support for public universities runs counter to the governor's goal of increased opportunity and economic growth," said ABOR President Eileen I. Klein. [Read more.](#)

Legislative update

The Arizona Board of Regents believes that Gov. Ducey's call to "think big" is necessary for our universities and is pursuing a reform agenda to shed unnecessary regulations and enable universities to become more agile and entrepreneurial, thereby decreasing the cost of operating Arizona's public universities and helping to defray costs for families.

During its February meeting, the board heard updates on upcoming legislation [tied to regulatory reform](#) that would allow universities to retain benefits from their bond refinancing efforts to allow Arizona's universities to operate in an increasingly entrepreneurial manner. In addition, legislation is in

development to permit each university the ability to develop independent benefits programs by 2017 in retirement, health and risk management in order to move toward a more sustainable and cost-effective operations approach.

The board expressed support for legislation that has been introduced this session, including:

- HB 2364 sponsored by Rep. Bob Thorpe improves operations at the universities by strengthening the enterprise model through measures such as: incorporating the performance funding model into the joint legislative budget committee baseline budget; eliminating the state tuition remittance process and thereby increasing efficiencies both for the university system and the Treasurer's Office; and addressing concerns with the Joint Committee on Capital Review.
- HB 2206 sponsored by Rep. Paul Boyers, addresses important statutory revisions to increase efficiency at the universities and the board.
- HB 2484 sponsored by Rep. T.J. Shope would eliminate a statute that requires ASU to distribute licensing and patent income derived from certain patents.
- SB 1378 sponsored by Sen. Jeff Dial would authorize universities to issue commercial paper and obtain commercial lines of credit.
- The board voted to support HB 2033 by Rep. Bob Robson and SB 1067 sponsored by Sen. Dial that would provide general fund support for university research facilities.
- The board also supports SB 1076 by Sen. Yee that would appropriate \$200,000 in fiscal year 2016 for the [Math, Science and Special Education Teacher Loan Forgiveness program](#) and increase the loan amount from \$7,000 to \$10,000 for the program that requires students to enter into an agreement with the Arizona Commission for Postsecondary Education (ACPE) to teach in an Arizona public school in a term equal to the number of years that the loan covered, plus one year.

University of Arizona operational and financial review

University of Arizona President Ann Weaver Hart and UA leadership presented its [operational and financial review](#) (OFR) to the board, reporting significant progress on their [Never Settle strategic plan](#) in areas such as new student enrollment; student diversity; transfer student success; engaged learning opportunities such as internships; trans-disciplinary collaboration; fundraising; STEM success; technology transfer; increased research; and collaborations. The presentation also highlighted new tools and opportunities at the UA to improve student success and learning, including predictive analytic tools such as Civitas Learning that is yielding important information to increase student retention.

Local and global partnerships have also increased, including a partnership with Dubai for World Expo 2020. Additional aspects from UA's plan include: guaranteed tuition and fees; and continuing progress on goals such as improving graduation and retention rates. The [University of Arizona Health Network](#) also recently merged with Banner Health, a collaboration that is expected to change the health care landscape in Arizona.

Annual OFRs, which include tuition assumptions, allow for alignment of discussions between university strategic planning and financial decisions related to tuition setting in April and budget approval in June. For the first time this April, the board will consider setting tuition for two academic years, providing students and families more flexibility to plan for tuition costs. "Our new model more closely aligns tuition setting with the universities strategic planning and operational and financial reviews," Klein said. "Overall, this new schedule will enhance our business planning, oversight and transparency."

Issuance of bonds for Sun Devil Stadium renovation, NAU engineering building

The board approved issuance of \$60 million in bonds for renovations to Sun Devil Stadium. Debt service for this project will be funded by Sun Devil Athletics revenues, including enhanced stadium income, conference revenue distributions, gifts and, in the longer term, Athletic Facilities District revenues.

During phase one, renovations at Sun Devil Stadium include improving the facility as a student gathering place, including a new student section, dedicated student entrances, seating and standing areas, restrooms, enhanced concessions/food service and band seating. More information on the project can be found [here](#).

Northern Arizona University was authorized issuance of approximately \$9.1 million in system revenue bonds for the School of Engineering Building Project financing. The bonds, projected to be paid off in about 20 years through existing tuition and fees or university funds, will be used to build a 21,000 square foot building on NAU's south campus to accommodate growing enrollment and meet the needs of the school and its programs, several of which have outgrown their current location.

New academic programs

The board approved three new degree programs at the UA. A new bachelor's degree in environmental science will teach students scientific and engineering principles to address complex environmental problems while promoting human and ecological health that will prepare students for careers in environmental engineering in consulting, industry, government and academia. Also approved was a bachelor's degree in American Indian Studies that emphasizes indigenous law, natural resources and American Indian education, literature, cultures and societies that will prepare graduates for employment in government jobs, non-profit agencies and private industry. Lastly, the UA will now offer an online criminal justice master's degree taught in collaboration with practitioners and local leaders in criminal justice, enabling those who have earned their bachelor's degree in the field to continue their studies.

New ASU programs are a master's degree in sports law and business that will prepare students to address difficult issues in the sports industry, and a bachelor's degree in global management that will be housed in the newly formed Thunderbird School of Global Management, now a unit of the ASU Knowledge Enterprise.

New housing approved for ASU Colleges at Lake Havasu City

Students who attend ASU Colleges at Lake Havasu City will soon have new housing with the approval of the purchase of the Economy Inn by the Arizona Board of Regents. Located adjacent to the colleges, the new residential housing offers the first opportunity for students to dwell within easy walking distance of campus resources. The inn has single and double-occupancy rooms, Wi-Fi, cable and laundry facilities. More information about ASU Colleges at Lake Havasu City may be found [here](#).

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The Arizona Board of Regents is committed to ensuring access for qualified residents of Arizona to undergraduate and graduate instruction; promoting the discovery, application, and dissemination of new knowledge; extending the benefits of university activities to Arizona's citizens outside the university; and maximizing the benefits derived from the state's investment in education. For more information visit AZRegents.edu.