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ABOR Unanimously Endorses Governor's Capital Development Proposal for Universities

*\$1 billion/30-year plan would fund new capital
and rebuild aging infrastructure without raising taxes*

(Phoenix, Ariz.) – In a special meeting today, the Arizona Board of Regents voted unanimously to support Gov. Doug Ducey's [executive budget](#) proposal, which would allocate nearly \$37 million for capital infrastructure at Arizona's public universities through a state sales-tax recapture program. The governor's proposal for capital infrastructure funding requires a match from the universities and would enable the board to secure up to \$1 billion in bond revenue. The plan also provides \$15 million for the resident-student funding model.

"The governor's capital funding plan represents an innovative opportunity to renew and revitalize Arizona's public universities, while building critical infrastructure for research and other activities," said ABOR Chair Greg Patterson. "Not only will students benefit from this effort, but so will Arizona's economy as this bonding allows Arizona State University, Northern Arizona University and the University of Arizona to become even bigger economic drivers of research and development."

With the motion approved today, the board and university presidents are authorized to back the operating and capital funding aspects of Governor Ducey's budget plan, including \$15 million in one-time funds to be allocated toward ABOR's resident-student funding model. ABOR and the university presidents will now coordinate with the governor's office and legislature on details of the package.

"We commend Governor Ducey for his forward-thinking approach, which signifies his support and a long-term commitment to public university students and higher education in Arizona," said Eileen Klein, ABOR president. "This is significant progress, and we will work together on behalf of Arizona students and families to make the most of this opportunity."

The ABOR resident-student funding model – overwhelmingly supported by students, businesses and community groups statewide – seeks state dollars directed to Arizona resident students. The board has proposed the state fund 50 percent of the education of resident students by 2020. Currently, the state funds 34.5 percent of a resident student's education. The additional \$15 million proposed by the governor would increase the state's contribution to 35.5 percent. For FY18, the board has prioritized an additional \$62.8 million above the governor's proposal, which would increase the state's contribution to nearly 40 percent.

Additionally, ABOR today affirmed its commitment to work with the governor, legislature and community college partners to deliver a plan for an Arizona Teachers' Academy. The academy, as announced in Gov. Ducey's address last week, will help grow the number of trained and qualified teachers that our state's K-12 classrooms require.

Lastly, as part of its legislative priorities this year, the board has identified an opportunity to improve the efficiency and sustainability of the university system by transitioning away from the state health insurance plan. A report commissioned last year by the universities and the Arizona Department of Administration determined ASU and UA alone could save approximately \$30 million annually by departing from the state plan. The board seeks to transition from the state plan to a tri-university health insurance plan or individual health plans available at each university.

“Health insurance reform for the universities provides yet another mechanism for the universities to remain sustainable for the future,” Klein said. “It is essential that we are allowed to pursue health insurance for our employees so that we can tailor benefits to best meet their needs. We will be working diligently with our lawmakers to advance this important efficiency for our universities.”

The board also voted to oppose SB 1061, which would impose a cap on tuition increases. Regents discussed their shared commitment to keeping tuition low and predictable for Arizona’s students and families. Arizona State University, Northern Arizona University and the University of Arizona each offer tuition guarantee and pledge programs.

“Students and families have real concerns about tuition and the board shares those concerns,” Patterson said. “On behalf of students and families, we’ve worked hard to slow tuition increases and put in place innovative programs that create greater tuition predictability. We’ve also increased student involvement as well as transparency in the tuition-setting process. I am concerned that a bill of this nature would undo all the significant work we’ve put in place.”