



**ABOR System Office
FY 2020 Annual Budget**

Introduction and Background

The Arizona Board of Regents is supported by a \$34 million budget. The budget is divided into two sections, ABOR operating (\$6.8 million) and ABOR programs (\$27.4 million). The budget also includes \$150,000 in contingency. Excluding the \$21 million for Arizona Teacher Academy, the ABOR Office projects FY 2020 total revenues and expenditures to be lower than FY 2019 levels. The major differences are larger TRIF reversions to the universities and larger than anticipated legal expenses in FY 2019.

Revenues

The ABOR budget is supported by revenues from four sources: state general fund monies, university funds, Retirement fund and TRIF revenues.

FY 2020 ABOR Revenue

Balance Forward	\$1,880,895
State General Fund	\$27,996,900
University Assessment	\$3,572,000
TRIF	\$2,000,000
Retirement Administration	<u>\$400,000</u>
Total	\$35,849,795

General Fund dollars support both office operations and specific programs.

FY 2020 General Fund Appropriation

Operating	\$2,462,200
Arizona Teacher Academy	\$21,000,000
WICHE	\$4,231,000
Student Assistance	\$90,000
AZ Transfer	<u>\$213,700</u>
Total	\$27,996,100

Expenditures

FY 2020 Expenditures

Operating	\$6,294,400
Retirement Plan Admin	\$400,000
Contingency	\$150,000
Arizona Teacher Academy	\$21,000,000
TRIF/Grants and Initiatives	\$1,870,000
WICHE	\$4,231,000
Student Assistance	\$90,000
AZ Transfer	<u>\$213,700</u>
Total	\$34,249,100

Changes for FY 2020

As shown on the attached schedules, the FY 2020 operating budget is higher primarily due to ABOR receiving \$21 million for the Arizona Teacher Academy. Excluding this funding, the ABOR budget is largely unchanged.

Other Items

The FY 2019 budget included legal expenses above historical norms. The universities traditionally fund these extraordinary expenses. It is not clear if this level of legal expenses will continue into FY 2020.

Cost Effectiveness

ABOR continues to operate at a high level of efficiency. The FY 2020 budget is equal to 0.12% of total public university expenditures.

FY 2020 Ending Balance

The ABOR operating budget generally retains an ending balance of approximately 15 percent of the annual operating budget. Operating dollars above this amount are typically returned to the universities. The ABOR office projects a FY 2020 ending balance that represents 14.8 percent of the operating budget.

FY 2020



ANNUAL BUDGET

FY 2020 ANNUAL BUDGET

(\$ millions)

	FY 2020 BUDGET	FY 2019 BUDGET	VARIANCE BETWEEN FY 2019 & FY 2020 BUDGET	
			\$	%
Revenues				
State General Fund Appropriation	\$7.0	\$6.9	\$0.1	1.4%
State General Fund Appropriation - Arizona Teachers Academy	\$21.0		\$21.0	-
Tuition and Fees <i>less Scholarship Allowance</i> Net Tuition and Fees				
Grants & Contracts -- Research Financial Aid Grants (Primarily Federal Pell Grants) Private Gifts				
Technology & Research Initiative Fund (TRIF)	2.0	2.0	\$0.0	0.0%
Auxiliary Revenues, Net Other Revenues	4.0	3.7	\$0.3	8.1%
Total Revenues	\$34.0	\$12.6	\$21.4	\$0.1
Expenses				
Salaries and Wages	\$3.5	\$3.7	(\$0.2)	-5.4%
Benefits	1.4	1.4	\$0.0	0.0%
All Other Operating	1.4	1.4	\$0.0	0.0%
Other Financial Assistance	25.3	4.3	\$21.0	488.4%
Depreciation Interest on Indebtedness Other Expenditures	2.6	2.5	0.1	4.0%
Total Expenses	\$34.2	\$13.3	\$20.9	157.1%
Net Increase (Decrease)	(\$0.2)	(\$0.7)	\$0.5	



ANNUAL BUDGET

BUDGET BY FUND AND PROGRAM AREA

	Revenues					Expenses	
FY 2020 Budget	General Fund	Other Funds University Support	TRIF	Retirement Plan Administration	Total Revenues	Expenses	Variance Between FY19 and FY20 Budget
Governance - System Office	\$2,462.2	\$3,572.0	\$130.0	\$400.0	\$6,564.2	6,844.4	
Student Assistance	\$4,534.7				\$4,534.7	4,534.7	
TRIF			\$1,870.0		\$1,870.0	1,870.0	
Teachers Academy	\$21,000.0				\$21,000.0	21,000.0	
Total	\$27,996.9	\$3,572.0	\$2,000.0	\$400.0	\$33,968.9	34,249.1	(\$280.2) (1)
FY 2019 Budget	General Fund	Other Funds University Support	TRIF	Retirement Plan Administration	Total Revenues	Expenses	Variance Between FY19 and FY20 Budget
Governance - System Office	\$2,364.8	\$3,372.0		\$400.0	\$6,136.8	7,087.4	
Student Assistance	\$4,534.7				\$4,534.7	4,534.7	
TRIF			\$2,000.0		\$2,000.0	1,696.0	
Teachers Academy					\$0.0	-	
Total	\$6,899.5	\$3,372.0	\$2,000.0	\$400.0	\$12,671.5	\$13,318.1	(\$646.6) (1)

(1) Covered by balance forward from prior year