

The budgets managed by the office of the Arizona Board of Regents are generally divided into two categories: the board office's operating budget and the budgets of individual ABOR-administered programs.

### **ABOR Program Budgets**

ABOR administers three different types of programs: Statutory, Regent, and Retirement. Over the last few years, the board and the legislature allocated specific funding to ABOR to implement new programing. The board office also administers the various retirement programs offered by the universities. Table 1 provides a list of ABOR programs with funding amounts for FY 2023 through FY 2025. In FY 2024, the legislature added and expanded programs with \$44 million in additional one-time funding, though much of that funding is not expected to continue in FY 2025.

*Table 1: Program Budgets*

	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025 (est.)</b>
<b>Statutory Programs</b>			
Adaptive Athletics	\$ 160,000	\$ 160,000	\$ 160,000
Arizona Promise Program	20,000,000	40,000,000	20,000,000
Military Spouses Scholarship	10,000,000	10,000,000	10,000,000
Arizona Teachers Academy	15,000,000	30,000,000	30,000,000
Arizona Teachers Incentive Program	90,000	90,000	90,000
Arizona Teachers Student Loan Program	426,000	426,000	426,000
Arizona Transfer Articulation	213,700	213,700	213,700
LEAP Program	2,441,600	2,441,600	2,441,600
Veterinary Loan Assistance	6,000,000	-	-
Washington DC Internships	300,000	300,000	300,000
WICHE	4,231,000	4,231,000	4,231,000
Law Enforcement Families Scholarship	-	2,000,000	-
Primary Care Residency	-	5,000,000	-
Museum of Democracy Presidential Project	-	2,000,000	-
<b>ABOR-Managed TRIF Programs</b>			
Attainment/Workforce (ABOR)	3,000,000	5,000,000	5,000,000
Health Sciences	1,600,000	-	-
Regents Grants	12,000,000	12,000,000	12,000,000
Community Grants	1,200,000	1,200,000	1,200,000
General Education Assessment	300,000	300,000	300,000
Partner Programs (PBC, AIA, etc.)	2,000,000	2,400,000	2,400,000
TRIF Administration (ABOR)	2,000,000	2,000,000	2,000,000
<b>Retirement Programs</b>			
Retirement Investment Advisor	\$ 340,000	\$ 340,000	\$ 340,000
Recordkeeping Fees	1,230,000	1,153,000	-
Retirement Legal Fees	7,000	10,000	10,000
<b>Total</b>	<b>\$ 82,539,300</b>	<b>\$ 121,265,300</b>	<b>\$ 91,112,300</b>

### **ABOR Operating Budget**

The ABOR office operating budget includes funding that is available for board office staffing, administration, and initiatives, less those costs that can be allocated to the programs listed above.

In preparation for FY 2025, the Regents requested the board office provide options for funding new efforts to increase capacity for university governance and oversight and to improve the board's coordination of service and impact activities to the State.

#### **Baseline Budget**

The baseline FY 2025 ABOR office operating budget forecasts \$6.5 million in revenue from appropriations and university assessments and reflects \$8.5 million in spending.

- Personnel costs are planned to increase by 2.8% from FY 2024 to FY 2025, reflecting salary and benefits increases. Changes in the number and type of staff positions were largely funded within existing budget allocations.
- The State of Arizona's risk management charges increased significantly but came with an offsetting increase to revenue.
- Other operating expenses are increasing 2.8% over those budgeted for FY 2024, reflecting increased professional services costs to support the board's initiatives and inflationary impacts.

This baseline expense budget is consistent with the ABOR office's ongoing streamlining efforts, which has accommodated significant changes in board operations through disciplined prioritization and the intentional use of accumulated fund balances.

#### **Proposed Budget**

The FY 2025 proposed budget for the ABOR office includes an increase in revenue and expenses necessary to pursue investments in the board's capacity for oversight and governance, including a commitment to:

- Enhance public trust by providing governance and oversight of the universities, as outlined in the constitution, in a way that builds public confidence in the integrity and sustainability of the institutions.
- Build relationships with our constituents – including policymakers, industry partners, community leaders, students, and thought leaders – so that we understand their needs.
- Promote policy frameworks that benefit higher education as a sector.
- Anchor our universities as key drivers in economic development for the State of Arizona, including workforce, health, trade, and technology.

To that end, the proposed FY 2025 board office budget includes a \$5.25 million increase to the universities' assessment for board office operations, facilitating investments in personnel and operating costs that are intended to bolster the board office's core oversight mission while providing the tools to proactively engage in planning and implementation efforts related to issues of statewide significance.

**ABOR Board Office**  
**FY 2025 Annual Budget Proposal**

*Table 2: Budget Proposal*

	<b>FY 2024 Budget</b>	<b>FY 2025 Baseline</b>	<b>FY 2025 Proposed</b>
<b>Revenue</b>			
General Fund	\$ 2,649,500	\$ 3,165,600	\$ 3,165,600
University Assessment			
<i>Arizona State University</i>	<i>1,788,314</i>	<i>1,788,314</i>	<i>4,578,282</i>
<i>Northern Arizona University</i>	<i>331,338</i>	<i>331,338</i>	<i>844,956</i>
<i>University of Arizona</i>	<i>1,252,347</i>	<i>1,252,347</i>	<i>3,198,762</i>
Additional State Revenues	-	-	-
<b>Total Revenue</b>	<b>\$ 6,021,500</b>	<b>\$ 6,537,600</b>	<b>\$ 11,787,600</b>
<b>Expenses</b>			
Personal Services	\$ 5,746,105	\$ 5,862,977	\$ 6,736,977
ERE	1,951,976	2,053,983	2,351,143
Other Operating Expenses	2,836,320	3,054,511	6,504,231
Allocated and Indirect Cost Recovery	(2,952,048)	(2,471,320)	(3,804,751)
<b>Total Expenses</b>	<b>\$ 7,582,353</b>	<b>\$ 8,500,151</b>	<b>\$ 11,787,600</b>
<b>Structural Balance (Deficit)</b>	<b>\$ (1,560,853)</b>	<b>\$ (1,962,551)</b>	<b>\$ -</b>



**ABOR OPERATING BUDGET**  
**FY 2025 (WITH FY 2024 COMPARATIVE BUDGET DATA)**  
(\$ millions)

## FY 2025 ANNUAL BUDGET

**Revenues**

State General Fund Appropriation
Total General Fund Appropriation
State Appropriations Transfer - Arizona Teachers Academy Fund
State Appropriations Transfer - Arizona Promise Program
Tuition and Fees
<i>less Scholarship Allowance</i>
Net Tuition and Fees
Grants & Contracts -- Research
Financial Aid Grants (Primarily Federal Pell Grants)
Covid Relief Funding
Private Gifts
Technology & Research Initiative Fund (TRIF)
Auxiliary Revenues, Net
Other Revenues
Total Other Revenues

**Total Revenues**

**Expenses**

Salaries and Wages
Benefits
All Other Operating
Other Financial Assistance/Pass-through Funds
Interest on Indebtedness
Depreciation
Pension Liability/OPEB (GASB 68 & GASB 45)

**Total Expenses**

**Net Increase**

FY 2025 BUDGET	FY 2024 ESTIMATE	FY 2024 BUDGET	VARIANCE BETWEEN FY 2025 BGT & FY 2024 EST		VARIANCE BETWEEN FY 2024 EST & FY 2024 BGT	
\$49.8	\$98.8	\$98.8	(\$49.0)	-49.6%	\$0.0	0.0%
\$49.8	\$98.8	\$98.8	(\$49.0)	-49.6%	\$0.0	0.0%
(\$25.9)	(\$27.9)	(\$30.7)	\$2.0	-7.2%	\$2.8	-9.1%
appropriated directly to U's	(\$36.8)	(\$46.1)	\$36.8	-100.0%	\$9.3	-20.2%
			\$0.0	-	\$0.0	-
			\$0.0	-	\$0.0	-
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
\$2.0	\$2.0	\$2.0	\$0.0	0.0%	\$0.0	0.0%
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
\$12.4	\$6.4	\$6.4	\$6.0	93.8%	\$0.0	0.0%
\$14.4	\$8.4	\$8.4	\$6.0	71.4%	\$0.0	0.0%
<b>\$38.3</b>	<b>\$42.5</b>	<b>\$30.4</b>	<b>(\$4.2)</b>	<b>-9.9%</b>	<b>\$0.0</b>	<b>0.0%</b>
\$6.7	\$5.7	\$5.7	\$1.0	17.5%	\$0.0	0.0%
\$2.4	\$2.0	\$2.0	\$0.4	21.0%	\$0.0	0.0%
\$7.2	\$4.3	\$4.3	\$2.9	67.4%	\$0.0	0.0%
\$22.0	\$32.2	\$20.1	(\$10.2)	-31.7%	\$12.1	60.2%
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
\$0.0	\$0.0	\$0.0	\$0.0	-	\$0.0	-
<b>\$38.3</b>	<b>\$44.2</b>	<b>\$32.1</b>	<b>(\$5.9)</b>	<b>-13.3%</b>	<b>(\$5.7)</b>	<b>-17.9%</b>
<b>\$0.0</b>	<b>(\$1.7)</b>	<b>(\$1.7)</b>	<b>\$1.7</b>		<b>\$0.0</b>	