New Budget Includes Additional $32M for State Universities

University Relations - Communications  
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Arizona Gov. Doug Ducey yesterday signed into law a $9.6 billion state budget, which provides $32 million in additional funding for Arizona's three state universities.

"The most encouraging development this session has been the recognition Governor Ducey and the Legislature have given to the resident student funding formula introduced by the Arizona Board of Regents. This new funding model eliminates the complex algorithm of the previous funding formula in favor of a straightforward procedure: state support for Arizona resident students," UA President Ann Weaver Hart said. "Under the model, state support would gradually increase until it covers one-half the cost of instruction for each Arizona student enrolled at an Arizona public university. The predictability and simplicity of this model will help the UA and our sister institutions achieve our missions in service to the state and its residents."

Hart said the new funding model would be based on the actual enrollment of Arizona students at each institution in the previous year, ensuring access and affordability for qualified Arizona students at their choice of a state university.

The additional funding provided by the fiscal year 2017 budget will allow for new investments in educational programming and capital improvements systemwide. It also will pay off in its entirely $200 million of deferred payments to the university system that have been pending for seven years.

The budget, set to take effect July 1, includes:

- $8.2 million in ongoing funding for the university system, based on the Arizona Board of Regents' resident student funding model, which has the goal of increasing state support to 50 percent of the cost of resident student education. The UA will receive $2.3 million of this appropriation.
- $5 million in ongoing funding for freedom schools at the UA and Arizona State University, with $2 million going to the UA's Center for the Philosophy of Freedom.
- $19 million in one-time money to the university system for any use, with $8 million going to the UA to provide for the capital costs of the veterinary medicine program.
- $3.9 million in Research Infrastructure Debt Service Payment Adjustments.

The budget also eliminates the state's tuition remittance process, beginning in fiscal year 2019. Currently, universities send a portion of tuition dollars to the Office of the Arizona State Treasurer. The dollars are then returned to the universities monthly.
The new budget eliminates that process and instead creates a local fund that will hold all tuition and fee revenue, keeping that money under the direct control of the universities.

The change to the remittance process was delayed until 2019 to allow the universities to make the necessary adjustments to accounting protocols.

The budget also includes a one-time appropriation for capital projects. The UA will use its share to fund renovations for the Veterinary Medicine program facility in Oro Valley.

Bills of interest to the university system:

**HB2271: UNIVERSITIES; COMMERCIAL PAPER**

Empowers ABOR to issue commercial paper—an unsecured, short-term debt instrument for the financing of accounts receivable, inventories and meeting short-term liabilities.

**Status:** Transmitted to the governor for signature on May 5.

**SB1418: (STRIKE EVERYTHING) FEES; NOTICE; POSTING; STATE MUSEUM**

Establishes a public process the State Museum must follow when increasing fees for services; requires ABOR to adopt the increase.

**Status:** Transmitted to the governor for signature on May 4.

**HB2338: EDUCATION INSTITUTIONS; FIREARMS; RIGHTS-OF-WAY**

Prohibits the governing board of an educational institution from adopting or enforcing policies or rules prohibiting the lawful possession or carrying of a deadly weapon on a ?public right-of-way?. Defines public right of way as highway, street, road, thoroughfare, path or alley that is maintained by a political subdivision and specifies that a political subdivision is not an educational institution. The amendment maintains current practices and policies.

**Status:** Signed into law by the governor on May 10.

**HB2548: NOW: PUBLIC FORUMS; ACTIVITIES; POSTSECONDARY CAMPUSES/HB2615: CAMPUSES; FREE SPEECH ZONE; PROHIBITION**

Authorizes the Attorney General or a student to bring an action in court for a violation of expressive rights on a university or community college campus and to recover court costs and attorney fees and be granted injunction; violations subject to one-year statute of limitation.

**Status:** HB2548 was transmitted to the governor for signature on May 7; HB2615 was transmitted on May 6.

**SB1267: MILITARY SERVICE; POSTSECONDARY ACADEMIC CREDIT**

Requires community college district governing boards and ABOR to create policies to award academic credit to current or former members of the United States Military. This bill maintains current university practices and policies.
Status: Transmitted to the governor for signature on May 5.

HB2547: UNIVERSITIES; IN-STATE TUITION; AMERICORPS

Permits students who have participated in the AmeriCorps program or the Volunteers in Service to America program for at least one year to be eligible for in-state tuition.

Status: Signed into law by the governor on March 11.

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