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Arizona State University

Northern Arizona University

University of Arizona

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Statement by ABOR and University Presidents on Passage of Fiscal Year 2014 Budget

"Today the Arizona Legislature passed the fiscal year 2014 budget that includes \$28.8 million in new funding for the state's public universities. These dollars will support critical educational programs and nudge Arizona's universities closer to reaching aggressive long-term goals such as increasing the number of students receiving baccalaureate degrees to meet workforce needs and boosting research activity. We are thankful to Gov. Brewer and our legislative allies for their leadership and support of higher education and for recognizing its role in advancing Arizona's economic well-being and quality of life.

"We also applaud Gov. Brewer and our supporters in the Legislature for expanding Medicaid coverage to thousands of Arizonans. While we share in the responsibility to help our state maintain a thriving and healthy environment where people can succeed, we also have a direct role in the delivery of health care. The University of Arizona Medical Center in Tucson serves a significant Medicaid-eligible population. Like many hospitals in the state, it provides millions of dollars' worth of uncompensated care for uninsured and underinsured Arizonans. Having a dedicated source of funding for the growing Medicaid population helps ensure stable funding for other important initiatives, including higher education.

"We remain committed to a productive dialog and partnership with the state to sufficiently fund the universities and keep higher education affordable for all Arizonans."

Elements of the FY14 Budget that pertain to Arizona's universities include:

• Parity funding: The second installment of \$15.3 million in parity funding (two-year total now \$30.6 million) for Arizona State University and Northern Arizona University to help equalize state spending per student at all three universities and provide support for undergraduate programs.

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- UA COM Phoenix funding: \$8 million for further development of the University of Arizona College of Medicine – Phoenix, which is critical in supporting the 292 medical students currently enrolled at the downtown Phoenix campus. Arizona faces a troubling shortage of doctors and medical professionals – and the state's investment in, and expansion of, the College of Medicine is vital to meeting the health care needs of Arizonans.
- Performance-based funding: A \$5 million appropriation for performance-based funding that will help the universities shift from a funding model based on enrollment to an innovative model that rewards progress. Included in the budget is language that mandates ABOR submit all budget requests in accordance with a performance funding model and that the Legislature fund the universities based on that model. A university performance funding model is an efficient and effective way for the state to tie dollars directly to university outcomes that support and stimulate our economy.
- WICHE state subsidy repayment: Students participating in the Arizona Professional
 Student Exchange Program via the Western Interstate Commission for Higher Education
 (WICHE) who do not fulfill the requirement to practice in their profession for each year
 they were supported by the state in the program will now be required to pay back 100
 percent of the funds expended by the state in their support, plus interest.
- University debt obligation reporting: The universities will now be required to submit a debt and obligations report to the Joint Legislative Budget Committee and the Governor's Budget Office by Nov. 1.

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