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### **Arizona's universities detail budget reductions and reallocations to meet state budget cuts**

Tucson, Ariz. – The Arizona Board of Regents approved [budget plans](#) for the public university enterprise for the upcoming fiscal year at the June 4 ABOR meeting in Tucson.

Arizona's public universities were cut approximately \$100 million in the state budget for FY16, and funding will be reduced another \$6.1 million for health insurance costs, bringing the total statewide general fund reduction to \$107.6 million - 14 percent from FY15.

Previously approved tuition plans for FY16 and student enrollment growth will not offset state funding cuts, requiring the budget reductions that the universities outlined during the meeting. State support for Arizona's public universities has declined significantly, and is less in FY 2016 - \$660,845,100 - than it was during the depths of the Great Recession in FY 2012 - 686,060,100.

With enrollment growth factored in for FY16 (8,244 students, a 5.8 percent increase), operating dollars per FTE - state general fund and tuition and fee revenues - will still be below FY15 levels. Operating dollars per student will be down \$640 or -3.9 percent and when adjusted for an expected 1.5 percent inflationary increase, operating dollars per student will be down \$754 or -5.3 percent. For FY16, the state will be funding just 26 percent of students' education compared to 58 percent a decade earlier.

Arizona's public universities outlined steps they are taking to handle the state funding reductions at the meeting, including workforce reductions, elimination of programs, delayed capital projects and deferred maintenance of existing buildings.

All of Arizona's public universities will be eliminating positions as part of their efforts to meet budget challenges. Cuts for each university include:

[Arizona State University](#) will meet funding cuts with \$61.4 million in spending reductions and the strategic reallocation of funds including: \$27.4 million in reductions comprised of elimination of planned investments; savings from renegotiated service contracts; and reductions in current investments to allow faculty hiring, enrollment growth, and other critical infrastructure investments. ASU will also implement \$34 million in reductions and reallocations at the department level.

[Northern Arizona University](#) is addressing the university's \$17.3 state appropriation reduction for FY16 with one-time actions including: refinanced and restructured debt payments; postponing campus capital and deferred maintenance projects such as the Engineering Lab building; and contract renegotiations. Permanent actions include: evaluated and restructured workload to identify workforce reductions (60

positions); closure of two policy/research institutes; finalizing closure decisions for extended campus sites; modified benefit and reimbursement policies; centralized information technology purchases with bulk computer purchases; and consolidation of course sections. Additional actions under review include a hiring review, benefits expenses review and postponing additional deferred maintenance projects among other actions.

At the [University of Arizona](#), targeted and strategic cuts are addressed through unit-level strategic plans, rather than across-the-board reductions. The university will take these steps in budget reductions and reallocations that total \$43.3 million to meet state funding shortages at the university: \$16 million to reduce colleges and academic units; \$9.7 million in reductions in administrative and institutional support units; \$14.6 million reallocation of institutional sources; and \$3 million in sales and service, auxiliary and designated funds.

The fiscal year begins July 1. For additional detail on university budgets and proposed reductions, please contact: ASU, Mark Johnson, [Markjohnson@asu.edu](mailto:Markjohnson@asu.edu); NAU, Tom Bauer, [Thomas.Bauer@nau.edu](mailto:Thomas.Bauer@nau.edu); and UA, Andrea Smiley, [acsmiley@email.arizona.edu](mailto:acsmiley@email.arizona.edu).

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